

# Management Record

March, 1952

Copyright 1952 by  
National Industrial Conference Board, Inc.  
247 Park Avenue, New York 17, N. Y.

Vol. XIV, No. 3

## • In the Record •

### Steel Hearings

What's happening in the steel negotiations has gone on so long and there has been so much of it, that a lot of us have lost track by now. But the ramifications that will follow any settlement worked out between the steel companies and the CIO Steelworkers can hardly be overstressed. Not only will the pattern be closely watched by other unions, but should the settlement result in an increase in the price of steel, our whole price structure will be affected.

The story starting on the next page is set up to give a quick picture of the negotiations to March 1. What the union has demanded is followed by (1) the arguments it puts forth and (2) the steel companies' answers to them. The story digests a stack of printed testimony that outdoes "War and Peace," "Anthony Adverse," or the Bible in length. You get the highlights in four and a half pages.

• • •

### Price Controls on Food

Most of us know, theoretically at least, that there have been price controls on certain foods. But how these controls have worked, what foods they cover and what they don't, takes a student of the subject to figure out.

The story on page 90, "A Year of Price Controls on Food," lets the reader in on the complex picture of how the different kinds of controls worked in 1951 and why you paid what you paid for your market basket.

• • •

### Suggestion Systems

Everybody (well, almost everybody) loves a suggestion system, at least in theory. But the company that is actually considering installing one looks at the matter a little more critically. Do they work? Do they pay their way? Will they boost employee morale?

Sometimes the trouble may be that too much is expected. Employee relations have been pretty stormy, morale is low, turnover high. And a suggestion system is clutched at with the hope that it will change all this. The panel of experts who make up the round table on suggestion systems (page

85), whether for or against them, seem to be agreed on one thing: don't expect a suggestion system to take the place of good personnel relations. It won't. What a company can legitimately expect from a suggestion system, the pitfalls to avoid, how such systems have actually worked are all subjects covered in the story, "Suggestion Systems: Pro and Con."

• • •

### Come In and Stay Awhile!

It never hurt anybody to stand in the other fellow's boots for a minute and get his slant on things. To a personnel "higher up," the company may seem fine; but how does the new employee, Joe Little Guy, feel on his first day in the new job? Has the company done its part to start him off right? American Type Founders has an induction program for the new employee that aims at helping him with the problems and confusions that he faces in his new work environment. Starting on page 92, you can read how this program is set up and how it works.

Companies also often mark the anniversaries of long-service employees. It is done in some instances on a lavish scale—dinners with plenty of pomp and ceremony. And employees love them. How several companies plan these celebrations is given in the story starting on page 96.

• • •

### Cost of Living Line Holds

There is good news for the consumer in the latest report on the cost of living. The Conference Board's index of consumers' prices recorded no change from December to January—the first month since June, 1951, that there hasn't been a rise. This development was anticipated by the results for ten key cities (written up in this issue) and confirmed by the fifty-four cities' sample which came through after the article was prepared. How long this plateau continues will depend largely on continuing price weakness at the wholesale level. A new rise might start, however, if the defense program is accelerated. The article prepared by the Statistical Division begins on page 104.

# STEEL HEARINGS

## The Steel Industry Bargains with the CIO Steelworkers in the Goldfish Bowl of a Public Hearing

THE STEEL HEARINGS were unspectacular but important. The rapid crossfire that characterizes collective bargaining in the public's mind was absent. The hearings consisted mostly of "reading into the record" already printed briefs and statements. Only a departure from the script or an interjected question broke the monotony.

Listening to the reading of this twenty-inch high stack of printed testimony was the WSB hearing

panel. Two public members, Harry Shulman and Ralph T. Seward, two industry members, Earle W. Mills and John C. Bane, Jr., and two union members, Eli Oliver and Arnold Campo made up the panel. This panel makes its recommendations to the WSB.

The issues taken up by this panel were based on the CIO Steelworkers' demands. The arguments given by the union and the steel companies' answers are highlighted here.

### WAGES

**Union Demand:** A 15 cents per hour general wage increase as well as a hike from the present 5 cents an hour increment between job classes to 5.5 cents. (Since there are thirty-two job classes, this would mean that the top job class rates would be boosted 15.5 cents an hour—over and above any general wage increase.) The last increase, negotiated December 1, 1950, provided a 12.5 cents an hour increase plus a .5 cent jump in the increment between job classes—from 4.5 cents to 5 cents an hour. Adjustment in individual job rates provided increases ranging up to 15.5 cents an hour. The over-all increase averaged 16 cents an hour.

**Union Says:** Workers should get a wage increase because of the higher cost of living and the greater amount of steel produced by the average steel worker. The average steel worker is only 5.3% better off than he was five years ago, if allowances are made for increased prices and taxes.

"There will not be a chain reaction effect resulting from the steel wage increase. The steel wage increase [would simply mean] a catching up with workers in other industries who received wage increases in 1951 when steel received none." The wage increase would not be inflationary.

Even though steelworkers are a high-paid group, they have lost ground to other groups, such as workers in automobile, meat packing, copper, coal and other industries.

The theory "that a substantial loss of tax revenue would attend the payment of large wage increases out of profits . . . would, carried to its ultimate end, imply

**Industry Says:** Since 1939, steel wages have gone up faster than the cost of living, real hourly wages rising 17.9%. Wage increases are ahead of gains in individual output. The steel wage increase of December, 1950, exceeded other wage increases. The amount agreed upon was designed to anticipate future price increases.

A boost in steel wages would start another round of increases in wages and prices. And the consequent inflationary wage-price spiral would be harmful to all. The steel industry recommends no wage increase and no price increase as the best means of meeting the inflation threat.

"Recent wage increases have meant only that other industries have been catching up with steelworkers." Hourly earnings in steel are above average hourly earnings in all industry. The spread is 26 cents an hour. This compares to a spread of 20.5 cents an hour in 1939.

If there is a wage increase without a price increase, then in United States Steel Corporation's case "79% of the total ultimate cost of this wage increase would

that all wage payments ought to be abolished in order to maximize corporation profits and the tax revenue which the Federal Government would secure from these profits."

Sixty per cent of the steelworkers make less than the \$79.46 a week specified in the Bureau of Labor Statistics four-person budget.

come off of our federal income taxes; 2% would come out of our payments to state and local governments; and the remaining 19% would come out of profits. . . . If a similar increase occurs throughout industry generally . . . and if it has the same tax effect on other companies . . . the net loss to the government could be conservatively estimated at \$11 billion."

The union's use of a four-person budget is faulty: the average family size is only slightly over three persons; there is more than one wage earner per family in more than one third of the households. "Average weekly earnings of steelworkers in October, 1951, were more than \$7 above the amount required to meet the BLS city workers' three-person family budget."

## UNION SHOP

**Union Demand:** A union shop in place of the maintenance of membership clause in the former agreement. The union shop clause would require all employees, "as a condition of employment, to become members of the union thirty days after the beginning of employment or after the effective date of the new agreement, whichever is later, and thereafter to retain their membership by payment of dues."

**Union Says:** "The language of the [President's] Executive Order and the plain intendment of both the President and Congress" was that the WSB should make a recommendation on the union shop issue. The board can fully perform its function of minimizing strikes only if it can "exercise its recommendatory function with regard to all the issues which might otherwise provoke strikes." The union postponed its strike awaiting the board's recommendation on the union shop and other issues. "But the union is not willing to forgo both [1] negotiations, with the right to strike, and [2] a recommendation of the Wage Stabilization Board."

Without a union shop, the union "must dissipate its energies in organizing nonmembers in the bargaining units and in warding off raids of rival groups, which concentrate on employees who have failed to join the recognized union."

Maintenance of membership "does not give the union the security it needs to responsibly administer the union contract. It does not compel free riders to bear their share of the costs of winning improved wages and working conditions."

**Industry Says:** "The sole issue is whether the Government of the United States, acting through this board, should undertake to compel the employees of the steel industry to join the United Steelworkers of America, CIO, as the price of holding their jobs and continuing to produce steel for their employers and to meet the needs of their country in a time of national emergency." The union wants the board's "recommendation" for a union shop in order to force complete unionization of the steel industry.

"There is no basis for the union argument that complete unionization is necessary to the effective observance or enforcement of collective contracts. There is not a shred of evidence offered by the union that it has lacked strength or security to fulfil its contractual obligations."

"There is no merit in the 'free rider' argument. The unions would make it appear that Congress and the courts, in writing and sustaining the 'majority rule' of the Wagner Act, have imposed upon them a new and onerous duty of representing those in the unit who are not members, and that the union should be paid for this function. The obvious answer is that the unions asked for this role, fought for it in Congress and the courts, and we venture to say would be exceedingly loath to part with it."

In the steel industry, the union security authorization elections show that out of half a million workers 70% voted in favor of the union shop, 13.5% voted against the union shop and less than 20% failed to vote.

The union shop is prevalent in industry. "Each and every one of the major basic steel corporations has for many years had a union shop or a closed shop in all the coal mines which it owns and operates."

"The United Steelworkers of America cannot and will not any longer tolerate their union being treated less favorably in this vital respect than are other unions. . . . We have told the companies that there can be no agreement with this union unless the union shop is granted to the Steelworkers Union."

Industry rejects the union's idea that "the right of an individual to refrain from joining a union is less entitled to protection than is the right to join a union. The Norris-LaGuardia Act treats the rights as equal in nature and extent. So does the Labor-Management Relations Act."

Industry rejects the argument that because "others have made union shop agreements with this union and with other unions through collective bargaining, we should be required to do so by government intervention."

"We think that the board should respond to this challenge and at the same time perform a great public service, by saying to the union: This board will not recommend that any person be required to join or remain a member of a labor organization as the price of working in the steel industry. We recommend instead that the union withdraw its demand."

## VACATIONS

**Union Demand:** One week for one year; two for two; three for five; and four weeks for fifteen years' service. The previous agreement provided these vacation allowances: one week for one year, two for five, three for twenty-five.

**Union Says:** A substantial number of contracts (38.6%) require two weeks' vacation after three years of service or less. The union cited a few individual contracts to bolster its demand for three weeks' vacation for five years' service and four weeks for fifteen years' service.

**Industry Says:** Granting the union's vacation demand would cost 4.5 cents an hour. "The steel industry's present vacation practice is in line with general industry practice. The union vacation demand is so far out of line with such practice as not to be justified even by the limited statistics which it offers in its support." Only one agreement in the union's own list of 133 agreements "provides vacation benefits equal to those which the union demands."

## HOLIDAYS

**Union Demand:** The following be made paid holidays: January 1; Washington's Birthday; Memorial Day (or another day by local agreement); July 4; Labor Day; one election day per year (or another day by local agreement); Thanksgiving; and Christmas. Employees working on these holidays would receive holiday pay in addition to time and one half for the work. The present contract provides no paid holidays and calls for time and one half for work on six specified holidays.

**Union Says:** Holidays with pay have been recognized in almost all industries. More than six paid holidays are provided by 31% of contracts in the union's analysis.

Regarding premium pay for holidays worked: Holidays once granted to the worker "are his holidays, to

**Industry Says:** In 1947, the CIO Steelworkers took a pay increase in lieu of paid holidays. "In that year, a package of an 11.5 cent general wage increase and six paid holidays was accepted by Chrysler, General Motors, Ford, General Electric, Westinghouse, the  
(Continued on page 108)

## Suggestion Systems: Pro and Con

A Round Table conference on suggestion systems was a feature of the 328th meeting of the National Industrial Conference Board held at the Waldorf-Astoria Hotel in New York City on January 24, 1952. E. J. Moorhead, Executive Vice-President, The United States Life Insurance Company, was chairman of the Round Table.

The speakers were:

William S. Wilcox, Supervisor, Employee Services, Socony-Vacuum Oil Company, Inc.

Herbert G. Heneman, Jr., Assistant Director, Industrial Relations Center, University of Minnesota

G. R. Schenck, Former Director of Industrial Relations, Riegel Paper Corporation

Russell J. Haynes, Supervisor, Suggestion Programs Section, Ford Motor Company.

Summaries of the speakers' remarks follow.

### Can Suggestion Systems Pay for Themselves?

William S. Wilcox

I BELIEVE in suggestion systems for employees. I believe an employee's ideas for improving an operation should be as eagerly sought and as conscientiously considered as ideas from any other source. I believe an employee's freedom to propose improvements and to be recognized for those improvements is part and parcel of our incentive system. In short, I am pro employee suggestion systems.

As for the question "Can suggestion systems pay for themselves?" the answer should be, "If yours isn't, overhaul it or kick it out."

The failure of a suggestion system is the failure of a management to plan for its success.

One statistically defensible reason for having a suggestion system in the first place is to improve the efficiency of all phases of the operation through the encouragement and the use of better ideas. It follows that if a suggestion system is set up right, supported right, and administered as a business undertaking, it offers the least expensive and the most immediately

productive way of getting ideas to improve the operations.

A suggestion system is a facility of management, another powerhouse of ideas for getting the greatest possible efficiency through the improvement of materials, practices and relationships. I think there is no other payoff worth the dedicated time and money that it takes to operate a system.

The suggestion system is not a loss leader. It shouldn't be operated that way. It should pay off. If an idea doesn't improve something, why put it into effect? If an idea is not put into effect, why pay anything for it? That is not promoting good will. That is giving charity. Employees don't need charity, nor do they want it. They want the opportunity to grow and to succeed.

If every suggestion that is adopted has been put to the test of, "Will this improve what we already have?" then it follows that the use of every adopted suggestion has contributed something of value to the organization, however small or immeasurable that benefit may be. In return, the employee has received in cash or other media something of value to him. A business deal has been made: the purchase of an employee's idea by an employer. If both payoffs have been fair, both parties have benefited.

According to the statistics available through the National Association of Suggestion Systems, a group of 152 of their members reported that they had received 634,000 suggestions in 1950. Of these, 165,000 were adopted. It is quite safe to assume that these 152 organizations could not afford to maintain a corps of efficiency engineers sizeable enough to ferret out the 165,000 improvements that resulted from adopting their employees' ideas. The payoffs to the companies have been improved materials, improved practices, and improved relationships.



Let us consider some other payoffs. What, for example, would the safety and claims department be willing to pay for practical ideas which would guarantee an elimination or even a reduction of specific accidents and the inevitable claims? Can you measure the dollar payoffs for safety ideas in terms of cost? We can estimate what the previous costs have been. If the suggester's idea prevents the reoccurrence of the accident, at least we can know that the money won't

have to be spent again. That is one payoff. You know the others in terms of human life and disability.

What is the value to a company of a promotable employee? When through the processes of a suggestion system the undisclosed intelligence and ingenuity of an employee come into focus, isn't that also a payoff? Certainly, the cost of identifying a promotable employee within the organization through the help of the suggestion system is far less than the cost of taking on a new employee on trial. Part of the payoff, then, is in the improvement of the selection procedure.

What, for example, is morale worth by the yard or the bushel? If you are getting suggestions, morale is good; no suggestions, no morale. It is that simple. But if your management is looking for morale as the prime payoff of the suggestion system, get them to spend money for something else. That is too soft an attitude toward making it pay for itself.



What would you give as a supervisor to have every employee single-heartedly working with you to improve your operations in every way possible? That "working with," by the way, includes suggesting improvements over your own way of doing things.

You may hear statements like "The employees don't understand the problem," or "The idea has been tried before and it didn't work." That is the supervisor's version. "The supervisor likes his own ideas better." That is the employee's washroom version.

If sensible suggestions are being received from a representative group of employees and none are being adopted, you had better get somebody to examine the supervisor, otherwise you will never get a payoff there.

If suggestions are not being received, which of course prevents any possibility of a payoff, it is due to an accumulation of some degree of the following general causes:

- The influential level of management is not demonstrating an actual support of the system.
- The rewards are too low in relation to the benefits to the company.
- It takes too long to process a suggestion.
- The system is not being promoted advisedly and consistently.

These four general causes of failure have been amply proven in practice. A good look at them shows that the failure of a suggestion system is in fact a failure at some level of management.

On the other hand, a suggestion system can be operated successfully and profitably in any company in this country if the proper conditions of management support and management review are present.

Another requirement for a successful and profitable suggestion system is a continuous audit by top man-

agement of what they are getting for what they are spending: are the costs of administration reasonable? Management should expect production from the suggestion system.

The year's suggestion system balance sheet should be read and interpreted just as rigorously as the sales report because ideas for improvement are vital to progress and lack of them are fatal to a company under our system of competitive enterprise.

Whether the employee group is 300 or 300,000, someone has to take the time to administer and be responsible for the results. This means a salary cost. Then there are other costs—cost of awards, clerical and stenographic costs and promotion costs. One company broke its expense down into seven different types and found it was costing \$25 for every suggestion handled, good and bad together. Most surprising, in that company, the return from the savings type of suggestion pays the entire operating cost of the system and still leaves a cash balance, plus (and this is important) the additional improvements from the safety and the intangible benefit types of ideas.

With that company, of course, the suggestion system is quite obviously paying for itself in money. As elsewhere, ideas for big savings are dramatic and they get the headlines, but for every money-saving idea adopted, there are about four other ideas adopted which also improve operations without a demonstrated immediate money return. The improvement is there and that is why they are adopted.

Industrial progress is made through improvements and the payoff of a suggestion system is in improvements, small ones as well as large ones, with or without a direct money return. If a company is getting a satisfactory ratio of improvements from the total number of ideas handled at a reasonable cost of administration, then for that company I would say the system is paying for itself.



Summing up, the conditions under which a suggestion system can pay for itself are:

- The system should be looked upon and used as a facility of management.
- It should be recognized as a powerhouse of employees' ideas for getting more efficiency through the improvement of materials, practices and relationships.
- An idea should not be adopted if it does not improve an already existing condition.
- Awards should be granted only for ideas that are adopted.
- Employees should be encouraged to participate and that encouragement can be demonstrated in many ways. The most obvious ones are management's support, a continual promotion of the sys-

tem, a prompt handling of suggestions and fair awards for ideas that benefit the organization.

Under these five conditions, I claim that any suggestion system, anywhere in this country, can pay for itself.

## Are Suggestion Systems the Bunk?

Herbert G. Heneman, Jr.

**I**T IS difficult to evaluate suggestion systems because their evaluation depends on their purposes, how they attain these purposes, and whether or not there are other ways to reach these goals. In the summary that follows, I am going to take an extreme position, opposing suggestion systems, for purposes of emphasis. I am sure that other speakers will make a positive argument.

What are the purposes of a suggestion system? I have found many statements of purpose; these are numerous and varied.

Socony-Vacuum, Mr. Wilcox's company, for example, says, "The paramount objective is the creation of sound employee relationships which express themselves in mutual confidence between the employee and his supervisor."

Remington Rand says, "Employees gain an opportunity of expressing themselves individually to their management. They have a chance for personal recognition. They have the satisfaction of seeing their own ideas in use. They have an opportunity of making their work safer and easier."

Those are said to be some of the things that employees gain. Management gains improved employee relations, savings in manpower and materials, reduction of waste, improvement of products and customer service, development of new products and the creation of an alert, thinking organization.

A panel discussion on the purposes of suggestion systems was held at a meeting of the National Association of Suggestion Systems. Here still more purposes were enumerated. The primary objective is to improve employee relations. The company that does this through suggestion systems, they tell us, will gain the following advantages: It will keep everybody in the organization on his toes, keep them mentally alert; it will improve industrial relations; it will direct contact between people on the job and in the front office, and it will make workers more skillful.

I have an exhaustive list here of purposes of suggestion systems and I think it is pretty difficult for any tool or technique to yield all of these objectives.

If you were able to produce all of these results with any one tool it would be miraculous indeed.

Frankly, I am very much disturbed at the attitude that begets suggestion systems. We sometimes like to think that we know what is good for others. A good example of that is the recent wave of hysteria to give more financial information to employees. "Let them read our balance sheets," etc. Why? Because we "know" the employees want that. Yet we have made numerous attitude surveys at the University of Minnesota that show that is not so. Most employees aren't interested and don't care as far as we can find out. But nevertheless, we have to have a panacea.

Another belief we all too frequently have is that we can buy our way out of trouble. We believe that we can soothe the employees with placebos—for example, employee services and suggestion systems. We don't bother to correct basic conditions; it is like giving a baby a lollipop to stop his crying when his diapers are wet.



The attitude that begets suggestion systems is, in my opinion, reminiscent of the old-fashioned witchcraft and medicine man approach. It is at least a partial rejection of the scientific approach.

If you think I am speaking too strongly on this, I want to read a statement that was made at the national conference of the National Association of Suggestion Systems held in Chicago.

"American management must find ways of increasing individual production if it is to compete in world markets without lowering our wage standard. To get results, method improvements and waste elimination must be everybody's job. The best suggestions in such a program invariably come from the people doing the job, once they are given the incentive and taught the habit of working for better methods."

"Previous speakers have stressed the fact that he who serves progress also serves America. They have emphasized that progress is based upon ideas, that ideas create jobs. Therefore, we can safely assume that the raw material of progress and prosperity is ideas. We must have more and better ideas if we are to achieve a stabilized prosperity. While I heartily agree with this philosophy, I cannot help but feel that probably too much emphasis has been placed upon science and invention."

In addition to the antiscientific approach, it is frequently said that the employee is the person in the best position to suggest improvements in his job.

Historically, there is little evidence to support the proposition that employees are most likely to make job improvements. Handicraft workers have used the same methods for generations. Shoemakers were making shoes about the same way in the 14th century, the 16th century, the 18th century, and the 19th century.

(Continued on page 115)

# An ACCIDENT PREVENTION PROGRAM for WESTINGHOUSE SUPERVISORS

## KEY POINTS FOR ACCIDENT PREVENTION

### THE SUCCESSFUL SUPERVISOR...



CONSTANTLY AWARE OF  
IS RESPONSIBILITY FOR  
ACCIDENT PREVENTION

AND HE IS THE SUPERVISOR  
WHO IS EVER ALERT TO  
SPOT ACCIDENT CAUSES.

AND DO SOMETHING  
ABOUT THEM



MANY SUPERVISORS HAVE  
DISCOVERED THAT THE KEY  
TO ACCIDENT PREVENTION



IS CLOSE  
PERSONAL CONTACTS  
WITH EMPLOYEES

A NEW TOOL IS NOW  
AVAILABLE TO YOU



...SAFETY CONSCIOUS SUPERVISION  
CAN MAKE IT BETTER

TO HELP YOU AND  
SUPERVISORS DO AN  
BETTER JOB OF LEAD  
YOUR EMPLOYEES TO  
PRACTICES AND  
SAFE CONDITIONS



The supervisor is the key man in accident prevention, according to Westinghouse Electric Corp. So Westinghouse has developed a new "Key Point Program" on safety, designed to promote closer personal contact between the foreman and each employee under him. Using the "key point" idea emphasized in the Training Within Industry's Job Instructor Training program, each foreman analyzes each job in his department for possible safety hazards. The foremen and the safety supervisor together review these points. Then the employee and his foreman go over them.

The program was first introduced through the cartoon brochure reproduced here. It was accompanied by this message from Gwilym A. Price, president of Westinghouse:

"Through the earnest effort of all members of management and the wholehearted cooperation of all employees, Westinghouse has maintained unusually safe working conditions within its plants. However, we know from experience that injuries become more frequent in periods of large expansion such as we are now entering. New tools, new equipment, new methods, new and transferred employees and changes in working environment all are in part responsible.

"It is my earnest desire that extra effort be expended by management to safeguard our employees in this period."

# KEY POINT PROGRAM

EACH FOREMAN  
BE CONTACTED BY...



SAFETY SUPERVISOR, OR  
REPRESENTATIVE



JOB TITLE		SECTION JOB NO.	
THINGS ABOUT THIS JOB WHICH MUST BE DISCUSSED WITH WORKERS TO INSURE SAFE OPERATION:			
SAFE PRACTICES		SAFE CONDITIONS	
EQUIPMENT	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
PROTECTIVE EQUIPMENT	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
PERSONAL PROTECTIVE CLOTHING	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
SAFETY GUARDS	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
SAFETY MEASURES	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
ACCIDENT PREVENTION KEY POINTS WESTINGHOUSE FORM 28236		SIGNED _____	DATE _____

RECORD OF DISCUSSIONS WITH EMPLOYEES		
NAME OF EMPLOYEE	DATE	FOLLOW-UP REQUIRED
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

TELL AND SHOW THE EMPLOYEE: WHAT TO DO AND WHY HOW TO DO IT AND WHY.  
WESTINGHOUSE FORM 28236 (BACK)

**STEP 3**  
FOREMAN AND SAFETY  
SUPERVISOR DISCUSS  
THE ACCIDENT PREVENTION  
KEY POINTS CARDS



WHICH THE  
FOREMAN HAS PREPARED

**STEP 4** WITH THE AID OF THE  
**ACCIDENT PREVENTION  
KEY POINTS CARDS,**

EACH FOREMAN DISCUSSES SAFE  
PRACTICES AND SAFE CONDITIONS  
WITH EACH OF HIS EMPLOYEES

FOREMAN AND SAFETY  
SUPERVISOR DISCUSS  
ACCIDENT PREVENTION KEY POINTS  
PROGRAM

**STEP 2** FOREMAN PREPARES AN  
ACCIDENT PREVENTION KEY  
POINTS CARD FOR EACH JOB  
IN HIS DEPARTMENT

**STEP 3** FOREMAN AND SAFETY  
SUPERVISOR DISCUSS CARDS

**STEP 4** FOREMAN DISCUSSES SAFE  
PRACTICES AND SAFE CON-  
DITIONS WITH EACH OF HIS EMPLOYEES

**DON'T FORGET...**



THE NEW OR TRANSFERRED  
WORKER NEEDS THE  
MOST HELP

BUT THE LONGER  
SERVICE WORKER



**NEEDS HELP TOO**

# A Year of Price Controls on Food

DURING the first year under price stabilization, there has been a variety of controls over food prices. These have changed from time to time. Starting on January 26, 1951, three types of controls were established to hold prices—generally pinning them at the highest point they reached in the period from December 19, 1950, to January 25, 1951.

Certain foods have remained free from controls. In this group are fresh fruits and vegetables, fresh fish and seafood. Because many of these items are seasonal in nature, and some highly perishable, it looked as if special controls would be set for them. But so far, controls have not been established for this group, and prices have been allowed to fluctuate widely.

Foods which were not subject to government price support and those which had reached or passed support prices when controls went into effect were made subject to firm controls. A retailer cannot legally sell these foods for more than the highest price he charged between December 19, 1950, and January 25, 1951. (See the table for a list of these foods.) The remainder of the foods, specifically those processed from agricultural products which had not reached parity, were placed under flexible controls. In this group, processors are allowed to add any dollar-and-cents increases in their costs to their prices.

## MARKUPS FOR SOME FOODS

In April of last year, controls on many foods were changed from the general types just listed to maximum percentage markups for certain commodities by type of store. Almost all canned or processed foods covered by the consumers' price index were put into this category. Type of store was determined by sales volume and whether the store was an independent or a member of a chain.

Another type of control was added in May, when dollars-and-cents ceilings were placed on items of beef. Since the price of beef had reached parity, there was no restriction on placing fixed price controls on these items.

## PRICE TRENDS

Even with the statistics in front of you, it is difficult to determine the effectiveness of the program. The price trends of the various groups of commodities over the past year are shown in the accompanying table. Price changes from January to December have

been computed for each of the five major categories of controls which have been outlined.

As might be expected, those items which were left free of controls climbed most sharply over the year. This group of commodities, however, includes fresh fruits and vegetables which usually fluctuate most. Over most of the year, prices of these items have been below the January level. The winter climb of certain seasonal items, such as lettuce, accounts for the sharp rise of the index for this group in the past few months.

## INCREASES DESPITE CEILINGS

Strangely enough, and probably much to the consternation of the housewife, those items which had dollars-and-cents ceilings placed on them showed the second highest average increase over the year. This

## Food Price Increases—January to December, 1951

Commodities by Type of Control December, 1951	Index Weight	Jan.-Dec. 1951 % Increase or Decrease	% of Total Rise
No Control			
Sugar.....	2.0	0.80	1.1
Apples.....	0.8	0.00	0.0
Bananas.....	1.4	0.00	0.0
Oranges.....	1.9	7.09	8.6
Beans, green.....	2.5	-31.60	-52.1
Cabbage.....	0.6	11.11	4.3
Carrots.....	0.7	36.61	17.3
Lettuce.....	1.1	66.18	45.1
Onions.....	0.6	45.76	17.2
Potatoes.....	2.0	54.46	68.9
Sweet potatoes.....	0.3	44.21	8.9
Tomatoes.....	2.4	-12.66	-19.3
Total.....	16.2	9.50	100.0
Firm Control			
Frankfurters.....	2.9	3.16	59.7
Veal cutlet.....	1.0	7.16	48.6
Pork chop.....	3.1	-1.36	-27.1
Bacon, sliced.....	1.6	-6.39	-65.0
Ham, whole.....	2.0	-3.77	-48.2
Salt pork.....	0.3	-6.88	-12.1
Lamb, leg.....	2.4	9.33	144.1
Total.....	13.2	1.17	100.0
Flexible Control			
Bread, white.....	6.3	0.82	3.9
Frying chicken (NY).....	5.7	-0.90	-3.8
Milk, fresh (home).....	6.3	6.41	30.3
Milk, fresh (groc.).....	4.8	5.82	20.9
Ice cream.....	1.6	0.50	0.6
Eggs, fresh.....	4.8	13.37	48.2
Total.....	29.4	4.51	100.0

## Food Price Increases—Continued

Commodities by Type of Control December, 1951	Index Weight	Jan.-Dec. 1951 % Increase or Decrease	% of Total Rise
<b>Markup Control</b>			
Flour, wheat.....	1.7	3.35	59.4
Corn flakes.....	0.4	7.77	34.7
Corn meal.....	0.1	3.16	3.7
Rice.....	0.2	-5.56	-18.0
Rolled oats.....	0.2	5.88	14.4
Vanilla cookies.....	0.8	7.94	65.0
Salmon, can.....	1.1	-3.76	-43.5
Butter.....	2.6	5.78	157.2
Cheese.....	1.7	3.29	58.7
Milk, evap.....	0.9	4.35	41.1
Grape jelly.....	0.8	-0.84	-7.4
Frozen strawberries.....	0.2	-7.60	-19.4
Frozen orange juice.....	0.1	-9.21	-12.7
Frozen peas.....	0.4	-2.02	-7.7
Canned peaches.....	1.0	3.63	36.6
Canned pineapple.....	0.7	0.00	0.0
Canned corn.....	1.2	-7.58	-92.6
Canned tomatoes.....	1.4	2.34	34.3
Canned peas.....	0.8	-4.57	-59.8
Canned baby food.....	0.7	1.02	7.2
Dried prunes.....	0.3	-2.57	-7.1
Dried navy beans.....	0.4	-8.14	-36.3
Coffee.....	5.3	1.40	79.4
Cola drinks.....	1.8	3.19	60.3
Lard.....	0.5	-6.48	-31.7
Shortening.....	1.1	-7.59	-91.9
Salad dressing.....	0.8	-5.13	-41.4
Oleomargarine (colored).....	0.7	-13.66	-107.4
Total.....	27.7	0.34	100.0
<b>Dollars-and-Cents Ceiling</b>			
Round steak.....	4.5	6.72	46.8
Rib roast.....	1.4	6.73	14.8
Chuck roast.....	1.9	7.30	21.9
Hamburger.....	3.9	2.77	16.5
Total.....	11.7	5.52	100.0

was partly the result of the revised price ceilings which were put into effect in September. They were based on rising freight costs and a study of differentials between various cuts of beef.

While control-free foods and foods with dollars-and-cents ceilings increased more than the 4.6% average increase for all foods for the year, the items subject to the other three types of controls were up less for this period. Those foods selling below parity, and therefore under flexible controls, showed an increase of 4.5% in the twelve months, while the firmly controlled foods showed a rise of only 1.2%. The firm control classification would have shown a greater increase than flexibly controlled foods if beef cuts had not been shifted to dollars-and-cents ceilings in May.

### MARKUPS MOST EFFECTIVE

Of all the types of controls used, the markup appears to have been most effective as far as stabilizing prices is concerned. When this system was applied to more than a fourth of the average food budget in April, these foods were more than 2% higher than

they were in January; by December they had dropped back to less than .5% above their January, 1951, level.

### COMMODITIES VARY

Discussion of one commodity group with a specific type of control versus another group with a different control tends to hide the nature of the changes within the group. Foods free from control, for example, varied from one extreme to the other. The December, 1951, price for lettuce was more than 65% higher than it was in January, 1951. This increase would have accounted for half of the total rise in uncontrolled foods if it had not been offset by a decrease of almost one third in the price of green beans. Potato prices were also a major factor in the rise in control-free foods. They increased more than 50% over the twelve months.

Prices of firmly controlled foods varied relatively little compared with uncontrolled foods. The changes from January to December ranged from -6% for bacon and salt pork to about +10% for leg of lamb. Foods in the flexibly controlled group generally recorded increases from January to December. Eggs have declined recently, but still account for half the increase of this group. The increase for milk is the other important factor. The only item in this group to show a decrease is chicken.

The items in the food index which were subject to the markup type of controls (comprising more than one fourth of the total) showed price changes ranging from -14% for oleomargarine to +8% for vanilla cookies. The two most important increases from the standpoint of the effect on the index were butter and coffee. These were partly offset by decreases for shortening and margarine.

The last group, which was subject to dollars-and-cents ceilings, showed only increases. Prices of the beef items in this classification rose 2½% to 7% from January to December. Round steak accounted for almost half of the increase for foods in this group.

LAURENCE D. DE TRUDE  
*Statistical Division*

### Spreading the Word

Some state health departments are making an effort to carry information on industrial health programs to companies in their regions. Among the recent contributions in this field are four pieces of literature being distributed by the Division of Industrial Health of the Minnesota Department of Health. To date, copies of "Blueprint for a Plant Health Program," "Guide for Industrial Health Practice in Minnesota," "In Case of Emergency," and "Have a Plant Catastrophe Program" have been distributed.

## **ATF's Induction Program**

# **A Man Meets His New Job**

THIS was Tom Foley's second job. He quit his last one. It's hard to say just why. He had had an argument with his foreman about his pay. But there had been more to it than that. He never felt that he really belonged. And after three months it was getting no better. So when the argument started, his mind was really made up—he was going to quit.

So far on the new job some things were different. There was the same red tape of getting on the payroll, but something in the way the employment manager handled it was different. He seemed to take a little more interest—like when he suggested to Tom the best bus to take to the plant.

When Tom reported for his first day on the job, his foreman handled things differently too. He didn't put him at a bench, tell him a few things, then leave. He tried to set Tom straight on the time clock routine, the incentive pay plan, and some of the company rules. He showed him the washroom and got him a locker and introduced him to the fellows he'd be working with. Then he put him with Jim Daly, his job instructor.

Riding to work on the bus next day, Tom thought: "Well, this place looks O. K. Treated me nice yesterday. I guess they do that on the first day."

But, it didn't end there. On the second day, Tom's boss sat down with him and checked over what was said the day before. He told him some more things, and took him in to meet the head of the department.

A few days later the employment manager stopped by Tom's bench and talked with him for quite a while. On payday, the foreman sat down with him again and this time went all over Tom's pay check, from OAB to NJUI.

Toward the end of his second week, Tom got a letter from the personnel director asking him to attend a meeting that would last for an hour or so. So along with about twenty other new people Tom heard a lot more things about the company and its policies.

To Tom, all this was quite a change from his first job. Here, everybody was more friendly and tried to help him get started. And it lasted longer than just the first day.

Tom, of course, figured that someone had gone to a lot of trouble to get him started right. But he couldn't realize actually how much planning the company had

done. For his experience had been the result of a planned induction program. With the exception of the group meeting, everything had been informal. Nevertheless, the whole pattern had been designed to help a new man become part of the organization.

American Type Founders, Inc. (Elizabeth, New Jersey) largest subsidiary of Daystrom, Incorporated, started this program about three years ago. Members of management felt they could reduce turnover and, in addition, develop a better work attitude among new employees. Because of reactions like Tom's they feel now that the induction program has helped solve both problems.

### **THE SUPERVISOR'S JOB**

The foreman is really the core of ATF's induction program. At the bottom of most pages of ATF's employee handbook is the caption, in bold type, "When in doubt, see your foreman or supervisor." Yet, when the formalized induction program was outlined, the foremen had to be sold on the idea that induction was their responsibility. Some of them had the idea that the personnel department should do the job. So at the start of the plan, all supervisors took part in a series of meetings devoted to studying the advantages of good induction methods. The crux of what was said at these meetings is contained in the following memo sent to all supervisors:

#### **TO ALL SUPERVISORS:**

#### **Subject: INDUCTING NEW WORKERS**

When a new worker comes into your department either by transfer or by original employment, it is your responsibility to see that the new employee is fully informed about his new job. An hour spent in properly introducing him to the job will save hours of wasted working time.

#### **HERE'S WHAT PROPER INDUCTION DOES FOR YOU AND FOR THE NEW WORKER**

- (1) It gives you a chance to explain your position before the worker is misinformed by others, and since first impressions are lasting ones, this is an advantage which should be realized.

- (2) It reduces waste time on employee's part—he will know what to do and where to go with his problems. He will be more secure, satisfied, less frustrated with unrecognized anxieties. He won't bother other workers with questions so often.
- (3) It builds up a reserve of morale to a point where the worker has some resistance power to rebuffs or disappointments which he must inevitably meet on his job. It helps keep workers from quitting before they can give the job an honest try out.
- (4) It reduces ill will, disciplinary action, and dismissals caused where the employee did not know the rules or consequences of violating them. It reduces the "take a chance" attitude. Proper induction will help build job satisfaction which helps counteract the activities of those present, even in the best of industries, who complain, criticize, and destroy good will.
- (5) People fear the unknown. New workers are timid, sometimes afraid. Often times this fear, which may be subconscious, acts as a block or barrier so that the new worker never realizes his top production level until his fears are removed by slowly accumulated knowledge and understanding of the (unknown) new job. (Proper induction helps remove this barrier at the outset.) Unless assistance is given, this accumulation of knowledge and elimination of fear of the unknown may take many months.

There is a store of information the foreman ought to pass on to the new man. One danger is that he may, in the press of his normal duties, forget several important items. For that reason, ATF foremen have a checklist.

This induction guide schedules the procedure over a period of time rather than concentrating on the first hour or so. The items which the new worker must know immediately are covered on the first day. The second day's schedule provides for a review of these items plus more information to help orient him. The first pay check often raises many questions in the new employee's mind. So at that point the foreman is scheduled to review all matters relating to the man's pay.

The guide that ATF gives each foreman is given in the box on the next page.

## THE PERSONNEL DEPARTMENT'S JOB

While the foreman is the key man in the ATF program, the personnel department nevertheless gives him a big lift with the job. The employment manager covers basic information at the time of hiring. He furnishes the new employee with the company handbook, "My Job at ATF," and a booklet describing the group insurance plan.

The employment manager also has the job of following up on the new employee after he has been on the job three or four days. The follow-up is a friendly, informal contact with the new employee at his work place. The visit appears casual to the employee, and purposely so.

Like the foreman, the employment manager also has a guide which he follows. This is reproduced in the box on page 95.

A group meeting rounds out the ATF induction program. After about ten days, the new employee receives a letter at his home from the personnel director asking him to attend a meeting in the personnel department. The employee is asked to read over the handbook if he has not already done so. Any of the new worker's questions that haven't already been answered by his foreman, the employment manager or the handbook, can be brought up at this session.

On the average, ATF hires about fifteen to twenty-five new people each week, so a group induction meeting is normally held once a week. The personnel director, the training director and the safety director cover the various phases of the program.

The program is designed to give the new employee a good broad background of the company including the history of the company, its organization and its products. Attention is given all personnel functions from the viewpoint of an employee. The safety director has an opportunity to present the company's approach to safety and to emphasize the employee's part. The following outline gives a picture of the session:

- A. History and Organization of the Company
  - I. American Type Founders, Inc.
    - a. Size, organization and affiliates
    - b. Products
    - c. History
    - d. Sales
  - II. Personnel Department Functions
    - I. Employment records
      - a. Prior employment experience
      - b. Employment record with this company
      - c. Performance record
      - d. Attendance record
      - e. Pay record
      - f. Human relations reports
    - II. Withholding income taxes
    - III. Training
    - IV. Company newspaper and suggestion system
    - V. Hospitalization

SUPERVISORS' INDUCTION GUIDEFirst Day

## HOURS

Shift  
Duration of shift  
Starting, quitting, and lunch times  
Time clock procedure  
Where to get information and help

## PAY

Time card routine  
Incentive plan  
Pay for overtime  
Where he gets his pay  
Where to get information and help

## FACILITIES

Location of wash room and locker  
Explain clean up time  
Cafeteria and lunch wagon service  
Medical services  
Where to get information and help

## JOB REQUIREMENTS

Quality  
Quantity  
How to ring on and off jobs  
Safety  
Care of equipment  
Tool check system  
Tools furnished by employee  
Tools furnished by company  
Introduce fellow workers  
Assign job instructor (where required)  
Where to get information and help

## COMPANY RULES, POLICIES, AND PROCEDURE

Safety rules  
Report on absence  
Probationary period  
Smoking regulations  
Where to get information and help

Second Day

## JOB INSTRUCTION (where required)

## MISCELLANEOUS

Review first day check list and be sure all points have been covered with employee  
Suggestion system  
What the department does (introduce the department head if the new employee has not already met him)  
Organization of the department—its sections or units  
Give the new employee a list of the names and jobs of each supervisory employee in the department from the department head to the set-up men  
Special rules relating to the department  
Special hazards of his work  
Where to get information and help

First Pay Day

## REVIEW ALL MATTERS RELATING TO HIS PAY

Rate of pay  
Where he gets his pay  
How his pay is calculated  
Pay for overtime  
Pay deductions:  
N. J. unemployment insurance  
Social Security tax  
Income tax withholding  
Group insurance  
Hospitalization      } Optional  
U. S. savings bonds  
Incentive plan  
When pay is distributed  
Hourly—on Thursday or Friday for the week ending the preceding Sunday  
Bonus—on Friday for the week ending the preceding Sunday  
Weekly salaried—on Thursday for the week ending the preceding Sunday  
Overtime exempt—semimonthly on the 15th and last day of the month or on the nearest preceding working day

- VI. Group insurance
- VII. Retirement plan
- VIII. Vacations
- C. Safety (talk by safety director)
  - I. The company's activity in "safety for the worker"
  - II. The employee's part in safety
  - III. Your hospital—hours, facilities, medication, advice, etc.
  - IV. Importance of reporting to hospital with all injuries
  - V. How to secure treatment after hours for injuries incurred during working hours
  - VI. Eye hazards; other hazards
  - VII. Protective equipment—how to secure
  - VIII. Compensation insurance—what the employee is entitled to
  - IX. Compensation claims—"Let's talk it over"
- D. Credit Union

- E. U. S. Savings Bonds
- F. ATF Club

This planned employee indoctrination program at American Type Founders has paid off, according to the company, in greater employee satisfaction, higher productivity and reduced labor turnover.

The combined effect of the employee handbook, proper personnel office procedure, systematic indoctrination of new employees by foremen, follow-up interviews and the group meeting for advanced indoctrination, says AFT, "have served to overcome the mental stumbling blocks of new employees and to guide them properly in becoming loyal, productive workers."

WILLIAM W. MUSSMANN  
*Division of Personnel Administration*

#### EMPLOYMENT MANAGER'S INDUCTION GUIDE

##### First Day

###### PERSONNEL ITEMS

- Physical examination arranged
- Prepare personnel and payroll papers
- Hospitalization
- Group insurance
- Union
- Suggestion plan

###### PAY

- Rate of pay
- Incentive plan
- Pay for overtime
- Where he gets his pay
- Pay deductions
  - N. J. unemployment insurance
  - Social Security tax
  - Income tax withholding
  - Group insurance
  - Hospitalization
  - U. S. savings bonds
- When pay is distributed
  - Hourly—on Thursday or Friday for the week ending the preceding Sunday
  - Bonus—on Friday for the week ending the second preceding Sunday
  - Weekly salaried—on Thursday for the week ending the preceding Sunday
  - Overtime exempt—semi-monthly on the 15th and last day of the month or on the nearest preceding working day.

###### HOURS

- Shift
- Duration of shift
- Starting, quitting and luncheon times

###### FACILITIES

- Locker rooms
- Cafeteria and lunch wagon service
- Medical services

###### MISCELLANEOUS

- Best way to get to work
- Best railroad or automobile routes
- Parking facilities and regulations
- Car pools
- What time clock area to use as entrance
- Where to get information and help

##### Third or Fourth Day

The employment manager or training director visits the new employee at his work place and determines through friendly, informal conversation whether the induction program has been carried out satisfactorily.

## Making a Production of

# THE SERVICE CLUB DINNER

THE AFFAIR began with the entrance of the head-table guests, among whom were those employees with *fifty or more years of service*. They walked from a room off the ballroom, down a wide flight of steps, to their places amid enthusiastic applause.

Then the lights dimmed and the orchestra struck up the "Star Spangled Banner." All turned toward one end of the ballroom where a large American flag was spotlighted. After the national anthem, a group picture was snapped, and the important business of eating began.

Pomp and ceremony—plenty of it—accompanied this dinner of the Quarter Century Club of Bird and Son, Inc., held at Boston's Copley Plaza Hotel last year.

According to the current practice of a large number of companies, Bird and Son have the right idea. At one time it might have been that, on a twenty-fifth service anniversary, a veteran's supervisor would slip him a lapel button at the end of the day with an embarrassed "Here's something for you, Bill." But no longer—not if the personnel department has anything to say about it. For there is increasing realization that the ceremonies attendant upon the presentation of service insignia are about as important as the award itself. A dinner at the best hotel or club in town, flowers, music, topnotch entertainment—all this contributes in honoring those employees who have proved their worth and loyalty over a long period of years. The aim in recognition dinners is to call attention to the recipients of awards in every way possible.

### TAKE THEIR PICTURES

One way of doing this is through taking photographs. At the Bird and Son dinner the company photographer, himself a twenty-five-year man, wielded a flash camera throughout the meeting. The next issue of the employees' magazine was packed with pictures of individuals and groups at the dinner.

During the most recent service ceremony at the Chicago Heights plant of the Owens-Illinois Glass Company, a group picture was taken of each service group and an individual picture of each awardee. Each person was given a copy of the picture in which he appeared.

At the Charleston plant of this company, a tape

recording was made of the service award ceremonies. This was broadcast over a local radio station on a Sunday night following the banquet—a program lasting about an hour.

Attention begins from the moment of arrival at club house or restaurant. When women guests appeared for the Quarter Century Club dinner of the Frigidaire Division of General Motors, each was presented with a beautiful corsage of orchids. The men were given carnation boutonnieres which were attached to their lapels by an attractive hostess.

At the Bakelite Company, a division of the Union Carbide and Carbon Corporation, Old Timers were greeted by an attractive arrangement of name cards and flowers at the entrance to the auditorium. The twenty-five-year Old Timers identification badges were arranged on a revolving display, with white carnations to distinguish the "new" quarter century veterans from the rest who wore red carnations as badges of honor. Stage decorations were centered on a huge trademark surmounted with "Welcome Old Timers," and each wall of the auditorium was decorated with a large trademark.

### BEFORE SERVING THE STEAK

A strolling accordionist enlivened the cocktail hour which opened the evening's festivities at the Old Timers' banquet of the Minnesota Mining and Manufacturing Company in St. Paul. Guests attending a dinner of the Mountain States Telephone and Telegraph Company during the before-dinner hour examined a hobby exhibit—work of members of the veterans' club. At the Frigidaire dinner, guests viewed exhibits of early Frigidaires, early factory scenes and other items typifying passage of a quarter century of company history.

On the stage at the Frigidaire party was a large birthday cake with twenty-five burning candles. The banquet was concluded with a special emblem-moulded frozen dessert. For the main course, most long-service clubs during the past year seem to have chosen either roast beef or filet mignon.

The Thirty Year Service Club of the Hamilton Manufacturing Company had a drawing of door prizes which included an automatic clothes dryer, a portable radio and an automatic toaster.

A regular custom of the Quarter Century Club of

The Home Insurance Company is to levy fines on those who fail to wear their club pins when attending the club's annual dinner. The fine is \$1, except for officers who must pay \$25. The money is turned over to the Red Cross. The Home Insurance dinner, held last year in the Sert Room of the Waldorf-Astoria Hotel in New York, was followed by dancing and entertainment by guest artists.

At the Bausch & Lomb Optical Company, members of the twenty-five-year club are called "Early Settlers." At the club's annual banquet a "mule"-drawn tallyho, driven by two new fifty-year veterans, circled the dining hall. A peppy clown band led the creaking vehicle in which nineteen incoming Early Settlers arrived for the festivities.

Several pages of old-time photographs were reproduced on the cover and back portion of the seating arrangement program distributed at the Twenty-five Year Club dinner of the Hyatt Bearings Division of General Motors. Locating themselves or friends in the pictures, some of which dated back thirty years, proved interesting entertainment. The photographs also served as conversation starters.

An address by the company president or some other company officer and the awarding of the insignia are, of course, the high points of most service-award dinners. In a few companies, the president uses the occasion to present verbal highlights of the company's annual report and discuss future prospects of the business. At the Commonwealth Edison Company club dinner, the vice-president of the company gave a talk on the company's service annuity system, bringing club members up to date on important aspects of the plan.

#### METHODS OF AWARDING INSIGNIA

Methods of awarding pins, watches or other insignia vary somewhat in accord with the number of recipients. When only a few are being initiated as members of the veterans' club, the chairman of the board, company president or oldest club member (in point of service) often presents the emblems personally, with an individual handshake and congratulations.

At Servel Inc. last year, when 142 employees were receiving awards for twenty, twenty-five, thirty, thirty-five and forty years of service, the club secretary called off names while fifteen pretty girls, serving as hostesses, pinned insignia on veterans' lapels. At a banquet of the Hiram Walker Service Club, one of the women neophytes was "pinned," to represent the 124 newcomers to the fifteen-year ranks. The names of the others were then announced and each received his or her pin.

At the Gas City plant of the Owens-Illinois Glass Company, a member of each service group gives a short talk at the award ceremony, then names the

other members of the group receiving awards. The purpose of this is to get more participation on the part of recipients.

Heading the list of award recipients in length of service at an Armstrong Cork Company service award party were two forty-year men. Each of these old timers was grilled on "company information" by the toastmaster, who then presented them with humorous prizes.

#### SPECIAL HONORS FOR RETIRED MEMBERS

Club members who have retired or who are about to retire are often given special recognition, sometimes by placing them at the speakers' table. At the Peoples Gas Light and Coke Company Quarter Century Club dinner, the fifteen men and women with the longest service, who were scheduled for retirement under the company's pension plan before the next meeting of the club, were seated at the head table. The toastmaster briefly reviewed high spots of the personal history of each, with the employee rising for all to see and applaud.

At the Minnesota Mining and Manufacturing Company dinner, each club member who had retired since the last year's banquet was presented with an attractive bill fold and a card identifying him as a "3M Ambassador of Good Will." Every member present who was retired was asked to stand and was greeted with applause.

At some affairs, all new members of the service club are required to wear garb that distinguishes them as comparative youngsters. In the Quarter Century Club of H. P. Hood and Sons, those who are to be initiated as new members are attired in baby bonnets. Acme Steel Company Quarter Century Club "freshmen" wear jockey caps. New members of the Twenty Year Club of the Indianapolis unit of Bemis Bro. Bag Company are dressed in kitten costumes, including ears and whiskers, and carry stuffed dolls made from Bemis cutouts.

Twenty-five year employees of the Giddings and Lewis Machine Tool Company wear collegiate cap and gown as they are initiated into the "Ancient Order of Oldsters."

Occasionally, in addition to the address or talks by company officials, the evening's program features a serious address by an outside speaker. The du Pont Veterans' Association at Wilmington, for instance, heard a talk given by a speaker for the Citizens Committee for the Hoover Report. At a service award dinner of the Mine Safety Appliances Company a noted historian gave a talk on the historical background of Pittsburgh and western Pennsylvania. More often, however, the service club evening ends with light entertainment presented either by club members themselves, other employees of the company, or professional entertainers.

Magicians and artists from local radio stations are enjoying current popularity as entertainers at veterans' club affairs. Acrobats and dancers, too, have their followers.

The Commonwealth Edison program ended with a skit called "Our '49ers," whose stars were mostly twenty-five-year initiates. The theme of the Rochester Pioneer Group, made up of veterans of the Todd Company, was that of an old-time theatrical performance built around an "Auld Lang Syne" theme. A popular radio personality talked on the subject "Why I Like It Here."

The Twenty-five Year Club of R. R. Donnelly and Sons saw a varied vaudeville program which included a trained dog act, comedy acrobatics, tumblers, novelty music, tap dancers and a monologist who had a way with a trick harmonica.

Quartet singing, hillbilly band and community singing were on the program at the dinner for General Motors' Hyatt Bearings Division club members. National Screw and Manufacturing Company veterans had lively entertainment provided by a pair of accordionists in a "whirlwind" of music, followed by a "tornado" of motion on the part of acrobatic dancers and a "cyclonic" exhibition put on by a roller skating team.

It was a little calmer at the American Optical Company where, after the dinner and greeting by the president, movies were shown. The first reels had been taken at a clambake given for Quarter Century Club

members the previous summer. These were followed by travelogues on Hawaii and Ireland.

#### SQUARE DANCING AFTER THE SHOW

Entertainers at a dinner for Riegel Paper Corporation Quarter Century Club members included a ventriloquist, a semi-classic "song stylist" (who had been runner-up in a beauty contest), a singer of Hawaiian songs accompanied by an electric guitar, and a "rainbow variety of comedy magic illusions." The master of ceremonies, assisted by fellow employees, put on a quiz program entitled "Anything Can Happen." An orchestra played novelty numbers, then everybody got into the act with square dancing. After that, along toward midnight, many of the "oldsters" were tired to the bowling alleys. This dinner was held at the Ridge—Riegel's mountainside clubhouse.

Recreation directors of companies in the metropolitan New York area some months ago registered a protest. They object to titles such as "old timers," "veterans" and "oldsters" as applied to members of service organizations. Who, they ask, cares to be reminded of his age by such monickers?

There is no indication of consciousness of age, however, in the programs prepared for service dinners, nor in the reactions of participants to them. Young and older veterans enjoy a really good party, and that is what their companies try to give them.

GENEVA SEYBOLD  
Division of Personnel Administration

## Briefs on Personnel Practices

### Less Cocksureness Makes Better Drivers

Drivers of company cars in five of the twenty-four General Foods Corporation's sales districts have become less positive about their driving skill. As a result, they have reduced the accident rate in their districts by 19.9%—as against a 1.4% reduction in the remaining nineteen districts.

This decrease in accidents (1951 as compared to 1950) is attributed to the use of the Porto Clinic for the last ten months of the year in the five districts concerned. The twenty-eight pound portable clinic is used to test brake speed, extent of side vision, depth of perception, judgment of distance and visual acuity.

Although the need for glasses was discovered in some cases, the chief value of the Porto Clinic, according to those engaged in the testing program, is psychological. People are more accident conscious when confronted with their own deficiencies in eye-foot coordination and distance judgment and therefore become more careful.

### Training Engineers for Aviation Work

To fill its needs for aeronautical engineers, Republic Aviation Corporation has converted almost 350 men with engineering background to aviation work. Aeronautical engineers have naturally been scarce, and since December, 1950, Republic has been meeting the deficiency by intensively training other types of engineers for its work.

### Foreman Is Key to Job Satisfaction

"I have many reasons why I like my job, but I think the most important to me is the fact that I have a good foreman, and for every reason that I think he is good, I like my job that much better. He thinks I have more ability than I think I have, so I consistently do better work than I thought I could do."—excerpt from General Motors, "Why I Like My Job" contest.

# Pensions Freed from 10% Ceiling

The long-awaited WSB regulations for pension and profit-sharing plans have been released. Here is the way GWR 21 works

THE Wage Stabilization Board on February 22 unanimously adopted Regulation 21, which establishes guideposts for new and amended pension and deferred profit-sharing plans. In adopting this regulation, the board has departed from its usual practice in policy regulations of establishing detailed criteria. Instead, it has chosen to provide the broadest possible area for self-control and self-administration consistent with basic stabilization principles, according to Chairman Nathan P. Feinsinger. Under the regulation, the cost of such a plan is not included in the 10% permissible wage increase of GWR No. 6, if the plan meets with certain basic requirements.

The regulation provides that no pension or deferred profit-sharing plan may be put into effect until thirty days after the board's acknowledgment of the filing of the plan. During this period, the staff reviews the plan to determine whether or not it complies with the requirements of GWR 21 or whether it might have an unstabilizing influence. If there is any question about these points, the employer cannot proceed with the plan until further notice from the board.

Even though the plan does not meet with all the requirements, the employer, or employer and union, may petition for WSB approval.

Employers wishing to establish a new pension or deferred profit-sharing plan or to revise an existing plan may do so without prior board approval, subject to the reporting and waiting period provisions, if the plan meets the following requirements.

## 1. Pension Plans

- The normal retirement age under the plan shall be at least sixty-five. The benefit for an employee who retires prior to normal retirement age shall be:

- a. Reduced in an amount which takes account of the additional years of service the employee would have accrued had he remained in service until normal retirement (except in the case of unit benefit plans whose formulas apply only with respect to service until the time of early retirement) and further

- b. Appropriately reduced actuarially unless the payment of the benefit is deferred until normal retirement age (except in the case of early retirement for permanent and total disability)."

- Benefits, except death benefits, shall be payable at least over the lifetime of the employee.

- If employment is terminated prior to retirement, the individual shall not receive any cash surrender value on the employer's contributions. These shall be deferred to the normal retirement age.

## 2. Deferred Distribution Profit-Sharing Plans

- If the profit-sharing plan complies with the regulations of the Bureau of Internal Revenue, the employer may put into effect new or revised plans which provide for the payment of benefits upon retirement for age or for permanent and total disability or upon severance if:

- a. Payments do not begin until at least ten years after an employee's admission to the plan,<sup>1</sup> and

- b. Payments are payable over at least a ten-year period, and

- c. No immediate benefit is derived from employer contributions in the form of a lump sum cash or loan value except in the event of the employee's death.

- Both pension and deferred profit-sharing plans will not be considered as approved unless they are approved under the appropriate sections of the Internal Revenue Code.

Chairman Feinsinger said in an opinion accompanying the new regulation: "The board is confident that the provisions for self-control and self-administration, with the safeguards contained therein, will prove far more successful in attaining effective and sensible wage stabilization than the establishment of detailed criteria, with the tendency toward uniformity which they would induce."

A majority of the public and industry members of the board rejected a proposal of the labor members for complete decontrol of pensions. A majority consisting of public and labor members turned down an industry motion that pensions be offset against the 10% allowance of General Wage Regulation No. 6.

<sup>1</sup> The WSB has since revised its ruling so as to release cases of normal retirement and of permanent and total disability from this ten-year limit on participation. The waiting period still holds for other types of severance. Chairman Feinsinger states that the ten-year participation provision for normal retirement and permanent and total disability would disqualify most deferred profit-sharing plans from the self-administration provisions of GWR 21.

In allowing industry a large measure of discretion in setting up and revising pension and profit-sharing plans, the board reasoned that "plans covered by this regulation, unlike most other forms of compensation, generally constitute deferred and not immediate income to employees and, therefore, will not contribute materially to increased consumer purchasing power." Another reason, as stated by the WSB, is "the danger that these plans will result in inflationary additions to

business costs is minimized by the widespread realization among employers and unions that such plans, because of their cost and because they involve long-term commitments, must be inaugurated or modified with great caution and only after careful planning, so that prudent judgment should operate as a particularly strong stabilizing influence in this field."

F. BEATRICE BROWER  
*Division of Personnel Administration*

## Briefs on PENSIONS AND OTHER BENEFITS

### SSB Policy on Health and Welfare Plans

General Salary Order No. 11, issued by the Salary Stabilization Board on February 11, permits companies to put health and welfare plans into effect without prior approval under any one of the following conditions:

1. If employees pay at least 40% of the gross cost and the plan does not include benefits for dependents.
2. If the plan covers both wage and salaried employees upon the same or similar terms and (a) meets the requirements of General Wage Regulation No. 19 and Wage Stabilization Board Resolution No. 78, or (b) is approved by the Wage Board for wage employees.<sup>1</sup>
3. If it is an extension of an existing plan to additional employees within the same plant or to similar groups of employees in other plants of the same employer.
4. If it is an extension or renewal of a plan in effect on January 25, 1951, or approved by the Wage Board prior to May 10, 1951, or by the Office of Salary Stabilization thereafter.
5. If it is a new or amended plan required by law.

The employer does not have to charge contributions to, or benefits paid under, plans put into effect in accordance with this order against any authorized salary increases.

### Du Pont Will Pay for Blue Cross

The Wage Stabilization Board has approved the E. I. Du Pont Company's proposal to pay the cost of Blue Cross-Blue Shield coverage for employees. The new arrangement went into effect February 1 for all employees with at least one year's service. Employees

<sup>1</sup> See *Management Record*, January, 1952, p. 20.

with less than a year's service and those desiring continued coverage for dependents will be able to carry the cost of these premiums through the payroll deduction plan.

### CIO Steelworkers Ask Guaranteed Wage

The United Steelworkers of America, CIO, at the recent steel hearings called upon the steel industry to grant a guaranteed annual wage of about \$3,000. Chief spokesman for the Steelworkers was Murray W. Latimer, the industrial relations consultant retained by the union in its successful pension campaign of 1949.

The annual wage plan drafted by the union asks the industry to guarantee thirty hours' pay per week for fifty-two weeks a year, less any state unemployment benefits. Workers with three years of service would be eligible for the plan. The guaranteed wage would amount to about three fourths of full-time annual earnings.

The union estimates that this would cost the industry about 6.5 cents to 7 cents an hour. These sums would be paid into a trust fund, which Mr. Latimer says could probably be declared tax free. The companies would not be obligated to pay benefits in excess of the amount in the fund. Nor would they have to make payments for more than fifty-two consecutive weeks in any period of unemployment.

Other features of the Steelworkers' guaranteed annual wage plan are:

- Payments would be made only to persons laid off because of curtailment of work.
- Payments would not be made in the case of stoppages resulting from labor disputes.
- In order to qualify for benefits, a worker would have to be able and physically available for work. He would

have to maintain a live application on file at an appropriate employment office.

• A worker would be temporarily disqualified for benefit payments if without good cause he left, failed to apply for, or refused suitable work, or if he were discharged or suspended for misconduct.

### **Ohio Bell: "How Does Our Pension Stack Up?"**

A novel idea in presenting pension information to employees has been worked out by the Ohio Bell Telephone Company magazine. Entitled "I Wonder How Our Pension Stacks Up?" the article shows in tabular form the pension benefits of fifty-six non-contributory plans. The Ohio Bell story is actually an analysis of certain features of the 1950 pension study made by the Bankers Trust Company of New York.

To make its comparisons more concrete, Ohio Bell has selected two examples of retiring employees—a plant craftsman and a traffic operator. It is assumed that each retired in 1951 at the age of sixty-five with forty-two years' service. The average annual pay for the last ten years was \$3,649 for the plant man and \$1,997 for the operator. The amount of pension payable to these two employees and other features of the Ohio Bell plan are then balanced against comparable provisions of the other plans. Under the Ohio Bell plan, the retirement incomes of both the plant man and the traffic operator rank thirteenth from the top among the fifty-six plans. Graphs, charts and pictures are liberally used throughout the four-page article to illustrate the tabular information.

### **IUE Surveys Pension Plans**

The International Union of Electrical, Radio and Machine Workers, CIO, has also gone in for some comparing of pension plans. A special survey, "Pension Plans in the Electrical Industry," designed for presentation to the Wage Stabilization Board, has just been completed by IUE pension expert Joe Swire.

The study finds that of the 210,000 IUE members covered by pension plans, exactly one half, or 105,000, are under plans providing for more than \$100 minimum monthly payments. The union points out this is better than the pattern in other mass industries in this country.

### **Retirement Date Extended**

The Motor Wheel Corporation has postponed the mandatory retirement date for a group of its employees by three months in order to enable them to cash in on the liberalized Social Security benefits. Under a new amendment to Motor Wheel's retirement plan, male employees who are sixty-eight or older and female

employees who are sixty-five or older will be automatically retired on July 1, 1952, rather than on March 1, 1952.

### **Cost of Living Allowance Counted as Basic Wage**

The Stewart-Warner Corporation, after several months of negotiation with its AFL Electrical Workers local, has agreed to include the 7% cost of living allowance in computing earnings for the purpose of pension plan eligibility. The decision means that several hundred additional employees will be eligible for the Stewart-Warner retirement income plan, which provides pension benefits to employees earning more than \$3,000 a year.

Stewart-Warner believes that almost all hourly employees with five years' service will eventually be eligible to participate in the pension plan if the cost of living allowance remains the same as it is today, or increases under the escalator clause in the IBEW contract. Once an employee becomes a member of the plan he remains a member even though his basic earnings later drop below the \$3,000 mark.

### **Lockheed's Credit Union**

More than 11,000 Lockheed employees have over \$3 million on deposit with the Lockheed federal credit union. Deposits today are nearly double what they were at the peak of World War II, when Lockheed had nearly three times as many people on its payroll.

On the other hand, the amount out on loan has gone down. The company magazine points out that this spirit of thrift at Lockheed is in line with the national trend.

### **Increased Benefits in Cotton Garment Industry**

More than 100,000 members of the Amalgamated Clothing Workers of America, CIO, are affected by the increased insurance benefits recently announced by the board of trustees of the Amalgamated Cotton Garment and Allied Industries Fund.

Hospitalization benefits have been raised from \$6 to \$9 per day, up to thirty-one days for a single illness. Maximum surgical benefits have gone up from \$150 to \$200. Sickness benefits for women employees have been increased by \$2 per week and now equal those for men—\$15 per week up to thirteen weeks for a single illness.

The insurance program, financed solely by employer contributions, started paying benefits on January 1, 1946. So far the fund has paid out over \$5 million on 74,000 disability claims, and \$74,970 to 449 retired employees.

LOIS E. FORDE  
Division of Personnel Administration

## Labor Press Highlights

# TALK DEFLATION AND WAGE INCREASES

**D**EFLATION, not inflation, is the country's main concern, according to John L. Lewis. The *United Mine Workers Journal* highlights this point as it reprints an interview with Mr. Lewis.<sup>1</sup> Increased production, says the UMW chief, is the "obvious" answer to the immediate problem of "mobilization-sparked" inflation. But for the longer run, Mr. Lewis indicates that the chief question is: "Are we going to continue to depend on government stimulation of business and industrial activity, or are we going to return to free enterprise?

Concerning possible sources of deflationary pressures, Mr. Lewis says wage controls have effected a slowdown in collective bargaining. As a result, wages cannot keep pace with productivity and "workers will soon find themselves with buying power which is not commensurate with their productivity." Mr. Lewis concludes that "unless our high living standards can keep up with technological improvements in production, our economy falls down."

In a similar vein, CIO Oilworker President O. A. Knight warns that "unless wages are permitted to catch up with prices, the United States may suffer a serious depression." Rapidly advancing prices, says Mr. Knight in the *International Oil Worker*, have made it impossible for many people to buy the things they need. "When people can't buy, production stops."

The United Mine Workers Union, for whom Mr. Lewis speaks, is seeking a wage increase; the UMW coal contract comes up for renegotiation on March 31.

The CIO Oilworkers Union, for whom Mr. Knight speaks, is already seeking a wage increase. Acting as a unified council, all unions in the oil industry, CIO, AFL, and independent, have taken strike votes on their demand for a \$2 per day wage hike, reports the *International Oil Worker*. The strike votes were authorized at a February meeting where the council said again that they would accept no less than 25 cents per hour.

### Act to Increase Unemployment Pay

The National CIO is supporting federal legislation under which federal funds would supplement state unemployment compensation. As outlined in *The CIO News*, the bill calls

for the Federal Government to (1) pay unemployed workers a sum equal to one half of what state unemployment compensation gives them and (2) match dollar for dollar state payments for dependents of the unemployed. Federal supplements would aid those who are jobless because of "dislocations in the economy during the national emergency." Combined federal and state payments, according to *The CIO News*, would not exceed 65% of the regular weekly wages for a person with two dependents, or 75% if the unemployed has four dependents. On a local level, *The CIO News* reports the Michigan CIO has sponsored a bill in its state to increase unemployment compensation benefits from \$27 for twenty weeks to \$40 for twenty-six weeks. And in New Jersey, the state CIO is asking that jobless pay be increased from \$26 a week to \$35 a week plus \$3 for each dependent.

### CIO Claims 80,000 Members In Southern Drive

The CIO, in its "tough job of unionizing the South," has gained 221 election victories and at least 80,000 new members in the sixteen months prior to January 16, according to a report on the southern drive in *The CIO News*. "The southern drive," says the paper, "will continue indefinitely." In terms of organizing personnel working in the South, the *News* says that twenty CIO staff members and twenty-one Steelworkers are aiding the ninety-one organizers already employed by the southern organizing committee.

### Against Anti-Communist Legislation

Both CIO President Murray and AFL President Green turned thumbs down on legislation aimed at Communist-dominated unions, according to reports in labor papers. The *Cincinnati Sun* reports that in a message to Senator Humphrey, who heads the committee investigating communism in unions, Mr. Murray reminded the Senator that the CIO had expelled communist-dominated unions, bringing those expelled into disrepute. Legislation against these unions and their leaders, according to Mr. Murray, might place them in the role of martyrs.

According to the *AFL News-Reporter*, President Green told Senator Humphrey that none of the AFL unions are controlled or dominated by communists. Mr. Green added that legislation would substitute compulsion for voluntary action by members to keep the unions free of communist domination. "Workers resent compulsion," said Mr. Green; "legislation . . . would have a bad psychological effect."

HAROLD STIEGLITZ  
Division of Personnel Administration

<sup>1</sup> The *United Mine Workers Journal* reprinted the interview from the *Washington Post*.

*Trends in*

## LABOR RELATIONS

### Textile Fight in April?

With its union convention coming up in April, the Rieve-Baldanzi fight in the CIO Textile Workers Union gets more and more bitter. Charging that very means of communication within the union, including newspapers, mailing privileges and membership lists," have been denied them, the Baldanzi supporters are now issuing their own publication.

Two big questions have to be decided before convention time. First is whether George Baldanzi will run for union president against Emil Rieve. The second question is whether Emil Rieve will again try to purge George Baldanzi as the union's executive vice-president as he unsuccessfully tried to do at the union's last convention.

While all eyes are focused on these two possible battles, the main event may be which side gets its members elected vice-presidents to serve on the executive board. With the union split, the executive board may be the real locus of power within the Textile Workers Union.

### AFL Analyzes CIO Financial Statement

The CIO issued its financial statement for the year ending September 30, 1951. The statement showed income of \$4,898,662 for per capita dues plus initiation fees from industrial unions. These figures, says the AFL, mean that the CIO has a membership of 4 million. Here is the basis of the AFL's statement: The CIO's income is 10 cents a month for each member, or \$1.20 a year. This amount divided into the CIO's \$4,898,662 income for 1951 gives 4,082,222 paid members.

### Map Fight Against Racket Labor Papers

Racket labor papers still plague unions, but the unions continue to expose and crack down on them. Most recently, in New Jersey, the CIO drove out of business a fake labor paper using the CIO name to solicit advertisements from employers.

One of the more flagrant abuses that both AFL and CIO unions object to is a statement such as the following which appears in the advertising contract handed to employers: "The amount paid with this agreement is also considered a fee to assist in maintaining friendly relations between you and your employees, to help

you in every way possible from time to time as the occasion arises." This appeared in the advertising contract of a purported "labor paper" using the AFL's name. The AFL's national headquarters was informed of the activities of this paper and since that time nothing more has been heard of this particular group.

To stamp out the menace of these racket labor papers, legitimate labor papers have formed a new organization called the Eastern Labor Press Conference. This group, made up primarily of AFL labor papers east of the Mississippi, is meeting in April to draw up a code of ethics for the business operations of labor papers. Labor leaders indicate they will push strongly for this plank: A bona fide labor paper will *not* solicit advertising at places far from its circulation area.

### Expensive Birthdays

The leaders of the Amalgamated Meat Cutters and Butcher Workmen, AFL, had a good idea, but they discovered it was too good. Their idea was to issue a calendar giving the birthdays of the country's labor leaders. The trouble was that everybody in labor wanted a calendar. The union had to discontinue issuing them. "The reason for discontinuing," writes AFL Butcher leader Patrick E. Gorman, "was the price, which year after year increased until the calendars were exceeding \$50,000 a year."

### In Brief

Republican stalwart William L. Hutchinson, 77, of AFL Carpenters, retired from the presidency he had held since 1915 to become the union's president-emeritus. His son, M. A. Hutchinson, formerly the union's first vice-president, takes over the presidency of the AFL's second largest union.

\* \* \*

How strongly the CIO regards proper union preparation in wage stabilization cases is evidenced by the fact that the CIO legal department is publishing a loose-leaf wage stabilization guide for CIO unions. This guide's purpose is to give the unions the latest wage stabilization rulings to aid them in making their presentations before regional and national WSB offices.

JAMES J. BAMBRICK, JR.  
Division of Personnel Administration

## Review of Labor Statistics

THE NICB index of consumers' prices for ten cities showed only a slight change in January, compared with the previous month. The advance of 0.1% was the smallest month-to-month rise since last summer—reflecting a combination of advances and declines which just about offset each other. Food and rents continued to climb, along with a slight rise in fuel costs. Clothing and housefurnishings displayed weakness, with sundries also lower in January. These ten cities comprise the bulk of the Board's fifty-four city index, amounting to about two thirds of the aggregate index weight.

In light of the recent weakening in commodity prices in the primary markets, the chances seem to favor at least a temporary halt in the upward trend in the cost of living. The built-in inflation of our present economy, however, would tend to work against a prolonged decline. Labor's escalator clauses and the farmers' parity formulas are the principal deterrents at the moment.

### UNEMPLOYMENT UP SHARPLY

Close to 400,000 workers desiring jobs and available for work were added to the unemployment rolls in January. Seasonal factors help to explain this increase, with retail trade and outdoor construction work in the usual January lull. In addition, there was evidence of cutbacks in factory employment resulting from slow demand for consumers' goods and critical materials shortages. Unemployment would have been even greater if it had not been for the withdrawal from the labor force of many temporary holiday workers. Nevertheless, those out of work numbered over 2 million for the first time since March, 1951.

The drop in employment totaled around one and a quarter million from December to January. The January estimate of employment was 59.7 million, compared with 61.0 million in December, and 59.0 million a year ago. Nonagricultural industries accounted for the bulk of present employment, with an aggregate of 53.5 million working in the January survey week. Agricultural jobs totaled around 6.2 million.

The breakdown of the number of men and women working underscores again the growing contribution that women are making to the defense production effort. Over the year January, 1951, to January, 1952, close to 700,000 women have been added to the employment totals, in contrast to a net addition of less

than 50,000 men. With Selective Service calls in relatively small volume recently, the pressure to recruit women has eased somewhat. It is the general consensus, however, that this is only temporary, and a renewed drive for more women workers can be expected.

### FACTORY EMPLOYMENT DOWN—GOVERNMENT EMPLOYMENT UP

A look at the employment picture, as analyzed by the Bureau of Labor Statistics, gives more details on what happened in specific avenues of employment over the last year. For example, it was noticeable that government (federal, state and local) accounted for better than one half of the January, 1951, to January, 1952, increase in nonagricultural jobs. The Federal Government hired about three out of every four persons added by all government agencies. Trade, particularly at the retail level, accounted for about one quarter of the net addition. Manufacturing showed a small loss over the year. Construction, transportation and public utilities, finance and service industries all recorded small gains over the year, but altogether they were responsible for less than 20% of the rise for the year.

The small loss in manufacturing does not tell the whole story, however. Ordnance and industries closely allied to the defense program were generally concentrating on tooling up their plants rather than actually turning out volume of defense material, but nonetheless reported employment gains. But even this fails to reveal what has happened in individual industries that have had to balance off a lower volume of civilian goods against increases in defense production. This meshing of the gears has not gone as smoothly as was hoped, partly because of an unexpected drop in consumer demand for textiles, other soft goods, household appliances, etc. Thus a decline of more than a quarter million in manufacturing employment has occurred during a period of partial mobilization, when it would be natural to expect a definite increase of the manufacturing payrolls.

### WORK WEEK SHORTENED

Government reports on the length of the work week reveal that the manufacturing work week was shortened, on the average, by one-half hour from December to January. Both durable and nondurable industries

reduced their work weeks. The durable goods industries are still working more than a forty-hour week, however. Nondurable industries are below forty hours for the tenth consecutive month. Compared with the year-earlier picture, durable goods industries are working a longer week, while the nondurable group has shortened its week. The reduction in time worked has

### BLS PLANS FOR NEW CONSUMERS' PRICE INDEX

The latest Bureau of Labor Statistics statement regarding revision of the consumers' price index says that the "old index" (the one the bureau has compiled for the last ten years) will be continued through the end of 1952. This is the index on which most escalator-type contracts are based. The so-called "interim" index, using revised weights which reflect more recent consumer expenditure patterns, will be continued through 1952. This "interim" index was first published in January, 1951, with back figures for 1950. It was linked to the "old" index in January, 1950.

The "new index," scheduled to appear in January, 1953, will be based on an extensive postwar survey of consumer buying habits made in the spring of 1950 by the bureau. It is likely that the bureau will also revise the sample of cities covered by the index.

After January, 1953, the "new index" will be the only index published by the government; and the escalator clauses of most contracts (which state: "as long as the index is computed in the current manner") will necessitate negotiation of a switch from the "old" index to the "new" one.

more than offset higher straight-time hourly earnings, with the result that the average weekly pay check fell off in January. It was still well ahead of the January, 1951, pay check, at least in terms of current dollars. (The rise in consumers' prices plus higher taxes have cut into the wage earner's real earnings.)

Out of seventy-six wage adjustments noted in the press and confirmed by THE CONFERENCE BOARD last month, the most frequent increases for wage earners were 5 cents or 8 cents an hour. The range was from 2 to 14 cents, with most settlements also providing for more liberal fringe benefits. Two out of three of the adjustments (see complete table on page 000) provided more paid holidays, more generous group insurance plans, longer vacations or better health benefits.

Three out of five adjustments were contingent on WSB approval, either in part or wholly. Two of the more important adjustments are described below:

**Lockheed Aircraft Corporation**—Eight settlements covering over 10,000 employees were recently negotiated and made retroactive to December 17, 1951. WSB approval was given. Factories in Burbank, California, and Marietta, Georgia, were affected. There are no escalator clauses in the contracts. A liberalized group insurance plan was also granted.

**General Electric**—A 2.5% general cost of living adjustment was granted to 44,000 unaffiliated electrical workers in an interstate wage increase. Not less than 3.5 cents an hour was guaranteed. A liberalized vacation plan was put into effect January 1, 1952.

PAUL W. DICKSON  
Statistical Division

### Consumers' Price Index for Ten United States Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939 = 100

Date	Weighted Average of All Items	Food	Housing <sup>1</sup>	Clothing			Fuel <sup>2</sup>			House-furnishings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1951 January	170.6	222.4	118.8	150.1	165.0	137.6	129.8	89.8	103.9	168.4	164.2	58.6
February	173.1	228.0	114.2	151.6	166.9	138.8	131.9	89.8	103.7	170.9	164.6	57.8
March	172.5	225.8	114.2	152.0	167.4	139.1	132.1	89.8	103.7	171.8	164.8	58.0
April	172.8	225.3a	115.7	152.4	167.6	139.6	132.2	89.8	103.7	172.1	165.4	57.9
May	173.4	227.3	115.9	152.3	167.7	139.4	130.2	89.9	103.7	171.7	165.4	57.7
June	173.4	227.3b	116.0	152.1	168.3	138.5	130.8	89.8	103.7	172.2	165.1	57.7
July	174.4	229.3c	117.4	152.0	168.2	138.3	131.1	89.8	103.7	172.4	165.2	57.3
August	174.5	229.4	117.8	152.0	169.0	137.6	131.6	89.8	103.7	171.3	165.2	57.3
September	175.1	230.6d	118.4	153.5	170.2	139.4	132.1	89.8	103.7	170.2	165.0	57.1
October	175.6	232.1	118.8	153.6	170.8	139.2	132.5	89.8	103.7	169.2	164.8	56.9
November	177.8	236.8e	119.9	152.7	169.3	138.7	132.7	89.8	103.7	169.7	166.4	56.2
December	178.4	236.7f	120.3	152.1	168.9	138.0	133.0	89.8	103.7	169.9	168.7	56.1
Annual average	174.3	229.3	116.9	152.2	168.3	138.7	131.7	89.8	103.7	170.8	165.4	57.4
1952 January	178.6	237.5	120.8	151.2	167.2	137.7	133.1	90.0	103.7	168.6	168.5	56.0

#### Percentage Changes

Dec., 1951 to Jan., 1952...	+0.1	+0.3	+0.4	-0.6	-1.0	-0.2	+0.1	+0.2	0	-0.8	-0.1	-0.2
Jan., 1951 to Jan., 1952...	+4.7	+6.8	+6.2	+0.7	+1.3	+0.1	+2.5	+0.2	-0.2	+0.1	+2.6	-4.4

<sup>1</sup> Rents surveyed quarterly in individual cities.

<sup>b</sup> Based on food prices for June 14, 1951.

<sup>c</sup> Based on food prices for Nov. 14, 1951.

<sup>2</sup> Includes electricity and gas.

<sup>d</sup> Based on food prices for Dec. 12, 1951.

<sup>e</sup> Based on food prices for April 16, 1951.

<sup>f</sup> Revised.

# Consumers' Price Indexes for Cities Surveyed Quarterly

*Note: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.*

City	Index Numbers Jan., 1939 = 100			Percentage Changes		City	Index Numbers Jan., 1939 = 100			Percentage Changes	
	Dec. 1951	Sept. 1951	Dec. 1950	Sept. 1951 to Dec. 1951	Dec. 1950 to Dec. 1951		Dec. 1951	Sept. 1951	Dec. 1950	Sept. 1951 to Dec. 1951	Dec. 1950 to Dec. 1951
<b>Atlanta</b>						<b>Louisville</b>					
Food.....	239.5	243.8 <sup>r</sup>	231.5	-1.8	+3.5	Food.....	246.0	240.1 <sup>r</sup>	229.7	+2.5	+7.1
Housing.....	113.7	113.2	112.9	+0.4	+0.7	Housing.....	112.2	112.2	107.1	0	+4.8
Clothing.....	141.9	144.6 <sup>r</sup>	140.0	-1.9	+1.4	Clothing.....	146.3	146.6	148.9	-0.2	+1.7
Fuel <sup>1</sup> .....	137.5	138.9	136.1	+2.7	+1.0	Fuel <sup>1</sup> .....	152.7	152.1 <sup>r</sup>	151.6 <sup>r</sup>	+0.4	+0.7
Housefurnishings.....	167.3	171.8 <sup>r</sup>	166.9	-2.6	+0.2	Housefurnishings.....	168.9	169.1 <sup>r</sup>	166.3	-0.1	+1.6
Sundries.....	160.1	159.4	152.2	+0.4	+5.2	Sundries.....	171.8	170.3	170.0	+0.9	+1.1
Weighted total.....	173.0	174.2 <sup>r</sup>	167.6	-0.7	+3.2	Weighted total.....	182.8	180.4 <sup>r</sup>	175.6 <sup>r</sup>	+1.3	+4.1
<b>Buffalo</b>						<b>Milwaukee</b>					
Food.....	258.8	250.6 <sup>r</sup>	234.9	+3.3	+10.2	Food.....	254.1	243.9	226.7	+4.2	+12.1
Housing.....	123.5	123.5	121.5	0	+1.6	Housing.....	170.0	169.6	164.0	+0.2	+3.7
Clothing.....	154.0	154.4	149.0	-0.3	+3.4	Clothing.....	166.2	167.3	162.6	-0.7	+2.2
Fuel <sup>1</sup> .....	161.0	158.9	154.4	+1.3	+4.3	Fuel <sup>1</sup> .....	138.7	136.7	137.2	+1.5	+1.1
Housefurnishings.....	160.9	160.3	157.0	+0.4	+2.5	Housefurnishings.....	182.1	181.6	179.5	+0.3	+1.4
Sundries.....	167.5	166.2 <sup>r</sup>	165.8	+0.8	+1.0	Sundries.....	171.0	170.2	168.2	+0.5	+1.7
Weighted total.....	185.6	182.5 <sup>r</sup>	176.1	+1.7	+5.4	Weighted total.....	193.1	189.7	182.3	+1.8	+5.9
<b>Cleveland</b>						<b>Portland</b>					
Food.....	239.0	236.1 <sup>r</sup>	224.7	+1.2	+6.4	Food.....	249.1	243.6	233.0	+2.3	+6.9
Housing.....	119.6	118.3	117.1	+1.1	+2.1	Housing.....	134.8	134.8	122.8	0	+9.8
Clothing.....	168.1	168.7	162.0	-0.4	+3.8	Clothing.....	179.9	183.1	175.4	-1.7	+2.6
Fuel <sup>1</sup> .....	142.3	141.7	141.8	+0.4	+0.4	Fuel <sup>1</sup> .....	143.1	143.3	141.5	-0.1	+1.1
Housefurnishings.....	176.5	177.6	170.4	-0.6	+3.6	Housefurnishings.....	154.3	154.1 <sup>r</sup>	152.5	+0.1	+1.2
Sundries.....	172.8	171.9	162.8	+0.5	+6.1	Sundries.....	151.0	149.9	147.1	+0.7	+2.7
Weighted total.....	180.8	179.5	172.2	+0.7	+5.0	Weighted total.....	180.9	179.2	172.4	+0.9	+4.9
<b>Des Moines</b>						<b>Providence</b>					
Food.....	243.7	241.0	224.5	+1.1	+8.6	Food.....	231.1	229.3	222.2	+0.8	+4.0
Housing.....	118.4	118.4	118.4	0	0	Housing.....	113.0	107.1 <sup>r</sup>	106.2	+5.5	+6.4
Clothing.....	168.6	169.8	160.5	-0.7	+5.0	Clothing.....	159.2	157.2 <sup>r</sup>	160.2	+1.3	-0.6
Fuel <sup>1</sup> .....	157.5	156.5 <sup>r</sup>	152.4	+0.6	+3.3	Fuel <sup>1</sup> .....	152.2	151.4	150.4	+0.5	+1.2
Housefurnishings.....	174.3	173.6 <sup>r</sup>	175.2	+0.4	-0.5	Housefurnishings.....	137.3	140.3	141.5	-2.1	-3.0
Sundries.....	160.4	159.2	154.8	+0.8	+3.6	Sundries.....	160.1	159.0 <sup>r</sup>	155.4	+0.7	+3.0
Weighted total.....	177.1	176.0 <sup>r</sup>	168.8	+0.6	+4.9	Weighted total.....	172.5	170.3 <sup>r</sup>	167.0	+1.3	+3.3
<b>Huntington</b>						<b>Spokane</b>					
Food.....	221.1	216.3 <sup>r</sup>	209.3	+2.2	+5.6	Food.....	233.2	226.9 <sup>r</sup>	218.8	+2.8	+6.6
Housing.....	123.1	122.6 <sup>r</sup>	116.4	+0.4	+5.8	Housing.....	140.9	140.9	137.9	0	+2.2
Clothing.....	154.8	155.9	147.9	-0.7	+4.7	Clothing.....	145.2	146.5 <sup>r</sup>	137.4	-0.9	+5.7
Fuel <sup>1</sup> .....	113.8	113.8	113.8	0	0	Fuel <sup>1</sup> .....	146.3	147.5	147.9	-0.8	-1.1
Housefurnishings.....	151.4	155.3	158.4	-2.5	-4.4	Housefurnishings.....	159.6	160.3	155.9	-0.4	+2.4
Sundries.....	168.9	168.1	166.4	+0.5	+1.5	Sundries.....	155.6	154.6	151.0	+0.6	+3.0
Weighted total.....	173.7	172.2 <sup>r</sup>	167.8	+0.9	+3.5	Weighted total.....	176.1	174.1 <sup>r</sup>	169.1	+1.1	+4.1
<b>Kansas City</b>						<b>Toledo</b>					
Food.....	222.6	216.5 <sup>r</sup>	206.6	+2.8	+7.7	Food.....	245.5	237.0	223.0	+3.6	+10.1
Housing.....	111.5	111.5	111.3	0	+0.2	Housing.....	138.2	135.9	134.3	+1.7	+2.9
Clothing.....	163.3	164.5	156.1	-0.7	+4.6	Clothing.....	155.5	157.5	155.0	-1.3	+0.3
Fuel <sup>1</sup> .....	125.6	125.6	122.1	0	+2.9	Fuel <sup>1</sup> .....	150.9	149.3	150.1	+1.1	+0.5
Housefurnishings.....	155.5	155.2	153.7	+0.2	+1.2	Housefurnishings.....	158.0	156.9	155.6	+0.7	+1.5
Sundries.....	164.2	163.2 <sup>r</sup>	154.8	+0.6	+6.1	Sundries.....	169.2	168.5 <sup>r</sup>	164.3	+0.4	+3.0
Weighted total.....	169.2	167.3	160.4	+1.1	+5.5	Weighted total.....	183.7	180.5	174.5	+1.8	+5.3
<b>Lansing</b>											
Food.....	259.0	249.9	235.4	+3.6	+10.0						
Housing.....	132.6	132.6	113.1	0	+17.2						
Clothing.....	158.7	160.2 <sup>r</sup>	154.4	-0.9	+2.8						
Fuel <sup>1</sup> .....	146.8	144.9	141.6	+1.3	+3.7						
Housefurnishings.....	168.5	170.5 <sup>r</sup>	169.2	-1.2	-0.4						
Sundries.....	175.5	174.6	165.4	+0.5	+6.1						
Weighted total.....	185.4	182.8 <sup>r</sup>	171.3	+1.4	+8.2						

## Percentage Changes in Indexes For Two Cities

City	Weighted Total		Food		Housing		Clothing		Fuel <sup>1</sup>		Housefurnishings		Sundries	
	Sept. 1951 to Dec. 1951	Dec. 1950 to Dec. 1951												
Evansville, Ind. ....	+0.1	+3.7	-0.2	+5.6	0	+7.4	-0.2	+2.6	+0.1	+0.9	+0.5	+1.7	+0.4	+1.6
Trenton, N. J. ....	+1.4	+4.2	+3.0	+7.1	0	+3.2	-0.7	+4.0	+0.5	+3.3	-0.5	-1.5	+0.7	+0.7

# Consumers' Price Indexes for Cities Surveyed Monthly

City	Index Numbers Jan., 1939=100			Percentage Changes		City	Index Numbers Jan., 1939=100			Percentage Changes	
	Jan. 1952	Dec. 1951	Jan. 1951	Dec. 1951 to Jan. 1952	Jan. 1951 to Jan. 1952		Jan. 1952	Dec. 1951	Jan. 1951	Dec. 1951 to Jan. 1952	Jan. 1951 to Jan. 1952
Birmingham						Indianapolis					
Food	237.0	237.2	226.4	-0.1	+4.7	Food	248.0	247.6	238.0	+0.2	+4.2
Housing <sup>1</sup>	153.8	152.0	149.6	+1.2	+2.8	Housing	123.1	123.1	121.0	0	+1.7
Clothing	154.2	154.4	156.1	-0.1	-1.2	Clothing	146.9	147.5	147.2	-0.4	-0.2
Fuel <sup>4</sup>	132.0	132.0	131.5	0	+0.4	Fuel	159.0	159.0	158.9	0	+0.1
Housefurnishings	172.5	172.7	172.6	-0.1	-0.1	Housefurnishings	160.6	160.4	166.6	+0.1	-3.6
Sundries	144.1	144.1	145.8	0	-1.2	Sundries	171.8	172.0	168.5 <sup>r</sup>	-0.1	+2.0
Weighted total	174.6	174.4	171.6	+0.1	+1.7	Weighted total	181.5	181.5	177.8 <sup>r</sup>	0	+2.1
Boston						Los Angeles					
Food	229.6	227.6	209.5	+0.9	+9.6	Food	244.4	241.2	219.7	+1.3	+11.2
Housing <sup>2</sup>	124.6	124.6	116.1	0	+7.3	Housing	141.4	141.1	117.4	+0.2	+20.4
Clothing	138.6	140.5	144.4	-1.4	-4.0	Clothing	143.9	144.7	146.0	-0.6	-1.4
Fuel <sup>4</sup>	167.7	167.8	165.5	-0.1	+1.3	Fuel	97.7	97.7	97.7 <sup>r</sup>	0	0
Housefurnishings	163.1	162.8	166.4	+0.2	-2.0	Housefurnishings	164.9	166.0	166.3	-0.7	-0.8
Sundries	164.5	164.1	162.4	+0.2	+1.3	Sundries	163.5	163.4	153.6 <sup>r</sup>	+0.1	+6.4
Weighted total	177.5	176.9	168.6	+0.3	+5.3	Weighted total	178.8	177.9	164.3 <sup>r</sup>	+0.5	+8.8
Chicago						New Orleans					
Food	250.6	252.6	235.6	-0.8	+6.4	Food	250.6	246.7	231.8	+1.6	+8.1
Housing <sup>1</sup>	132.5	129.9	124.3	+2.0	+6.6	Housing <sup>2</sup>	130.8	130.8	121.6 <sup>r</sup>	0	+7.6
Clothing	150.2	151.1	150.1	-0.6	+0.1	Clothing	159.3	159.2	156.4	+0.1	+1.9
Fuel <sup>4</sup>	117.9	117.9	114.7	0	+2.8	Fuel <sup>4</sup>	92.5	92.5	91.3	0	+1.3
Housefurnishings	161.2	161.8	157.0	-0.4	+2.7	Housefurnishings	175.7	175.8	176.3	-0.1	-0.3
Sundries	167.5	168.4 <sup>r</sup>	167.5	-0.5	0	Sundries	147.9	148.3	146.6	-0.3	+0.9
Weighted total	182.4	182.8	175.4	-0.2	+4.0	Weighted total	183.3	181.9	174.1 <sup>r</sup>	+0.8	+5.3
Denver						New York					
Food	240.0	240.7	227.5	-0.3	+5.5	Food	228.4	227.1	215.6	+0.6	+5.9
Housing <sup>3</sup>	128.2	128.2	128.8	0	-0.5	Housing <sup>2</sup>	105.8	105.8	104.6	0	+1.1
Clothing	167.5	168.7	162.6	-0.7	+3.0	Clothing	154.6	155.5	151.9	-0.6	+1.8
Fuel <sup>4</sup>	108.2	108.2	106.3	0	+1.8	Fuel <sup>4</sup>	134.2	133.8	130.4	+0.3	+2.9
Housefurnishings	165.8	166.2	166.6	-0.2	-0.5	Housefurnishings	167.8	171.0	171.0	-1.9	-1.9
Sundries	154.4	154.5	152.5	-0.1	+1.2	Sundries	173.8	173.9	166.6	-0.1	+4.3
Weighted total	175.1	175.5	170.1	-0.2	+2.9	Weighted total	174.8	174.5	167.8	+0.2	+4.2
Detroit						Philadelphia					
Food	249.9	249.0	235.5	+0.4	+6.1	Food	226.5	225.7 <sup>r</sup>	212.4	+0.4	+6.6
Housing <sup>2</sup>	129.9	129.9	116.2	0	+11.8	Housing <sup>2</sup>	117.3	117.3	111.0	0	+5.7
Clothing	154.5	155.0	151.0	-0.3	+2.3	Clothing	144.2	145.8	145.0	-1.1	-0.6
Fuel <sup>4</sup>	159.8	159.7	155.7	+0.1	+2.6	Fuel <sup>4</sup>	158.9	159.0	152.3	-0.1	+4.3
Housefurnishings	171.2	171.2	171.6	0	-0.2	Housefurnishings	186.2	185.5	176.3	+0.4	+5.6
Sundries	177.8	177.8	173.9	0	+2.2	Sundries	159.7	159.8	159.1 <sup>r</sup>	-0.1	+0.4
Weighted total	185.7	185.5	176.8	+0.1	+5.0	Weighted total	176.2	176.1	169.2 <sup>r</sup>	+0.1	+4.1

SOURCE: The Conference Board

<sup>1</sup>Rents surveyed January, April, July, October.

<sup>2</sup>Rents surveyed February, May, August, November.

<sup>3</sup>Rents surveyed March, June, September, December.

<sup>4</sup>Includes electricity and gas.

<sup>r</sup>Revised.

## Consumers' Price Index for Fifty-four Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939=100

Date	Weighted Average of All Items	Food	Housing <sup>1</sup>	Clothing			Fuel <sup>2</sup>			House- furnishings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1950 December	170.1	221.5 <sup>a</sup>	116.9	150.4	165.4	137.7	132.4	90.4	101.2	165.9	161.4	58.8
Annual average	163.4	208.8	115.6	144.7	158.4	133.2	130.5	90.4	101.8	153.0	157.6	61.2
1951 January	172.2	225.9	117.1	152.7	169.1	138.9	132.6	90.4	101.1	169.5	162.0	58.1
February	174.7	231.8	118.1	154.5	171.2	140.3	134.7	90.9	101.0	172.2	162.5	57.2
March	174.1	229.0	118.3	154.8	171.6	140.5	134.7	90.9	101.0	172.8	162.7	57.4
April	174.4	228.7 <sup>b</sup>	119.8	155.1	171.9	140.9	134.7	90.9	101.0	173.1	163.2	57.3
May	175.1	230.9	120.0	155.0	172.1	140.6	132.8	91.0 <sup>c</sup>	101.3	172.7	163.4	57.1
June	175.2	231.1 <sup>d</sup>	119.9	154.9	172.8	139.8	133.5	90.8 <sup>e</sup>	101.4	173.2	163.3	57.1
July	176.2	232.9 <sup>d</sup>	121.3	154.8	172.7	139.7	133.8 <sup>f</sup>	90.8 <sup>e</sup>	101.5	173.4	163.6	56.8
August	176.2	232.7	120.0	155.1	173.5	139.5	134.2	90.9 <sup>g</sup>	101.4	172.2	163.6	56.8
September	176.7	233.5 <sup>e</sup>	122.3	156.6 <sup>d</sup>	174.9	141.0	134.7	90.9 <sup>g</sup>	101.4	170.9	163.7	56.6
October	177.2 <sup>d</sup>	235.0	122.7	156.3 <sup>d</sup>	175.0 <sup>f</sup>	140.6 <sup>d</sup>	135.0	90.9 <sup>g</sup>	101.4	169.9	163.5	56.4 <sup>d</sup>
November	179.3 <sup>d</sup>	239.8 <sup>f</sup>	123.8 <sup>d</sup>	155.1 <sup>d</sup>	173.2 <sup>f</sup>	139.8 <sup>d</sup>	135.4	90.9 <sup>g</sup>	101.6	170.3	165.0	55.8
December	179.8	239.5 <sup>g</sup>	123.9	154.6	172.7	139.2	135.7	90.9	101.6	170.5	167.0	55.6
Annual average	175.9	232.5	120.8	155.0	172.6	140.1	134.3	90.9	101.3	171.7	163.6	56.9

### Percentage Changes

Nov., 1951 to Dec., 1951	+0.8	-0.1	+0.1	-0.3	-0.3	-0.4	+0.2	0	0	+0.1	+1.2	-0.4
Dec., 1950 to Dec., 1951	+5.7	+8.1	+6.0	+2.8	+4.4	+1.1	+2.5	+0.6	+0.4	+2.8	+3.5	-5.4

<sup>a</sup> Rents surveyed quarterly for individual cities.

<sup>b</sup> Based on food prices for April 16, 1951.

<sup>e</sup> Based on food prices for Sept. 17, 1951.

<sup>f</sup> Revised.

<sup>c</sup> Includes electricity and gas.

<sup>d</sup> Based on food prices for June 14, 1951.

<sup>g</sup> Based on food prices for Nov. 14, 1951.

<sup>d</sup> Based on food prices for December 14, 1950.

<sup>d</sup> Based on food prices for July 16, 1951.

<sup>g</sup> Based on food prices for Dec. 12, 1951.

## Steel Hearings

(Continued from page 84)

be enjoyed, to be utilized as he sees fit." Employer disruption of such personal plans justifies premium payment for the hours the wage earner has to work on his holiday. Payment of time and one half and even double time, in addition to holiday pay, is not uncommon: 28.7% of the contracts the union analyzed provide for such payments.

rubber industry, International Harvester, Allis-Chalmers and most nonferrous metal companies." The CIO Steelworkers, on the other hand, took the whole increase in the form of a wage adjustment which averaged 15 cents per hour.

### SATURDAY AND SUNDAY PREMIUM PAY

Union Demand: Time and one-half premium rates for work on Saturday, double time for work on Sunday. The present contract requires time and one half for the sixth and seventh consecutive days worked.

Union Says: Workers should be compensated for "the disruption in family life created by the requirement of working on Saturday and Sunday." Not all steelworkers work on continuous-process operations. In other industries, where "some operations are 'continuous,' premium payments are made for week-end work to all employees."

Industry Says: The cost of granting the union's demand for premium pay for work on Saturday and Sunday would be about 24.6 cents per hour spread over the entire hourly paid work force.

In most industries the normal work week is Monday to Friday, but in the steel industry continuous seven-day operation is an economic necessity. Why should the employer be penalized for requiring what cannot physically be avoided? The union's demand for premium pay for Saturday and Sunday as such is not designed "to induce steel companies to abandon their present practices but is solely an attempt to obtain an additional wage increase."

### SHIFT PREMIUMS

Union Demand: A 10-cent premium for the second shift and 15 cents for third-shift work. The previous contract called for 4 cents for the second shift and 6 cents for the third.

Union Says: The present shift premiums were instituted in 1944. At that time, the 4 cent and 6 cent premiums did not rank too badly in relation to then-existing practice. But that was seven years ago. "The mere upward adjustment of the wage structure in steel since 1944, to say nothing of the effects of collective bargaining in other industries, has rendered the shift premiums obsolete by more than 60%." Many union contracts require a 10-cent premium for second-shift and 15 cents for third-shift work.

Industry Says: The steel industry does not share in the two principal arguments usually advanced for high-shift premiums: "(1) Unit costs are lowered when a plant operates on a two-shift or three-shift cycle, and employees working those shifts should share in the benefits of the reduced unit costs, or (2) an employer should be penalized for working employees outside the daytime hours."

Steel industry operations require three shifts under normal conditions in order to complete the production cycle. The industry rotates working shifts to equalize working conditions. A majority of workers work all three shifts in a well-defined work cycle.

The present shift premiums of 4 cents and 6 cents were ordered by the World War II War Labor Board. What the union "has actually done is to dust off a demand that it has not seriously advanced since 1944, in an ill-disguised attempt to secure a general wage increase by indirect means."

### REPORTING PAY

**Union Demand:** Eight hours reporting pay instead of the present four.

**Union Says:** "Reporting allowance is in reality payment for mistakes which management makes in scheduling. A four-hour reporting allowance makes the employee pay half of the cost of the company's mistake. If an employee is told to report to work and does report he should be entitled to a full day's pay."

**Industry Says:** The prevailing practice in industry calls for reporting pay of four hours or less. The steel industry's present practice of four hours' reporting pay is completely in line. The union demand for eight hours' reporting pay is completely out of line: less than 5% of union contracts call for over four hours' reporting pay.

JAMES J. BAMBRICK, JR.  
*Division of Personnel Administration*

## No Breakfast? Here's Where That Custom Changes

An employee who skips breakfast and gets that mid-morning fatigue is soon likely to change the habit if she works at the Michigan Bell Telephone Company. She will, that is, if her supervisor has boned up on Michigan Bell's manual, "Health Information for Supervisory Personnel."

One section of this seventy-page, loose-leaf handbook is devoted entirely to health interviews. It advises supervisors on tactful interviewing of the breakfastless worker, the headache-prone employee and the runny-nose, frequent cold-catching victim.

The manual says: "It is to the supervisor's advantage to know what the real situation is and it is his responsibility to motivate the employee to have a physical check-up or to improve habits of living. Frequently, the tool with which these may be accomplished is the personal interview with the employee."

Kinds of interviews, preparation for them, the setting, conducting the interview, recording and analyzing it—all are discussed. Sample health interviews are recorded for the supervisors' use in acquiring a perceptive technique.

That, however, is only one part of the manual which is devoted entirely to health. Other sections are: the administration of a health program, indoor working environment, signs pointing to low resistance or beginning ill health, general health information (this covers the common cold, dietary information, hay fever, heart disease and other common ailments) and a health course for women.

The supervisor who heeds the manual should be a bundleful of salubrity and preventive medicine information—but there is also a warning not to diagnose employees' ailments, rather they should be encouraged to seek proper medical advice.

The handbook cautions supervisors on attitudes by stating: "As a supervisor you will have difficulty in promoting health among your employees unless you show your sincere interest in the problem. Your own attitude toward attendance, your attitude toward preventing illness, your interest in health activities that are available will influence those under your supervision. The supervisory personnel should be familiar with the medical services which the company provides and they should encourage their employees to make use of them."

# Significant Labor Statistics

Item	Unit	1952		1951					Year Ago	Percentage Change	
		Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	July		Latest Month over Previous Month	Latest Month over Year Ago
<b>Consumers' Price Index<sup>1</sup></b>											
All items.....	Jan. 1939=100	.....	179.8 <sup>r</sup>	179.3 <sup>r</sup>	177.2	176.7	176.2	176.2	170.1	+0.3	+5.7
Food.....	Jan. 1939=100	g	239.5 <sup>f</sup>	239.8	235.0 <sup>d</sup>	233.5	232.7 <sup>c</sup>	232.9	221.5	-0.1	+8.1
Housing.....	Jan. 1939=100	.....	123.9 <sup>r</sup>	123.8	122.7	122.3	122.0	121.3	116.9	+0.1	+6.0
Clothing.....	Jan. 1939=100	.....	154.6 <sup>r</sup>	155.1 <sup>r</sup>	156.3	156.6	155.1	154.8	150.4	-0.3	+2.8
Men's.....	Jan. 1939=100	.....	172.7 <sup>r</sup>	173.2 <sup>r</sup>	175.0	174.9	173.5	172.7	165.4	-0.3	+4.4
Women's.....	Jan. 1939=100	.....	139.2 <sup>r</sup>	139.8 <sup>r</sup>	140.6	141.0	139.5	139.7	137.7	-0.4	+1.1
Fuels.....	Jan. 1939=100	.....	135.7	135.4	135.0	134.7	134.2	133.8	132.4	+0.2	+2.5
Electricity.....	Jan. 1939=100	.....	90.9 <sup>r</sup>	90.9 <sup>r</sup>	90.9 <sup>r</sup>	90.9 <sup>r</sup>	90.8	90.8	90.4	0	+0.6
Gas.....	Jan. 1939=100	.....	101.6	101.6	101.4	101.4	101.4	101.5	101.2	0	+0.4
Housefurnishings.....	Jan. 1939=100	.....	170.5	170.3	169.9	170.9	172.2	173.4	165.9	+0.1	+2.8
Sundries.....	Jan. 1939=100	.....	167.0	165.0	163.5	163.7	163.6	163.6	161.4	+1.2	+3.5
Purchasing value of the dollar.....	Jan. 1939 dollars	.....	55.6	55.8 <sup>r</sup>	56.4	56.6	56.8	56.8	58.8	-0.4	-5.4
All items (BLS).....	1935-1939=100	.....	a 190.0 <sup>a</sup>	a 189.3 <sup>a</sup>	a 187.8 <sup>a</sup>	a 186.5 <sup>a</sup>	a 185.6 <sup>a</sup>	a 185.8 <sup>a</sup>	a 178.4	+0.4	+6.5
<b>Employment Status<sup>2</sup></b>											
Civilian labor force.....	thousands	61,780	62,688	63,164	63,452	63,186	64,208	64,382	61,514	-1.4	+0.4
Employed.....	thousands	59,726	61,014	61,336	61,836	61,580	62,630	62,526	59,010	-2.1	+1.2
Agriculture.....	thousands	6,186	6,378	7,022	7,668	7,526	7,688	7,908	6,018	-3.0	+2.8
Nonagricultural industries.....	thousands	53,540	54,636	54,314	54,168	54,054	54,942	54,618	52,993	-2.0	+1.0
Unemployed.....	thousands	2,054	1,674	1,828	1,616	1,606	1,578	1,856	2,503	+22.7	-17.9
<b>Wage Earners<sup>3</sup></b>											
Employees in nonagriculture establishm'ts.....	thousands	p 45,955 <sup>r</sup>	p 47,569 <sup>r</sup>	p 46,843	p 46,868	p 46,956	p 46,724	p 46,432	p 45,246	-3.4	+1.6
Manufacturing.....	thousands	p 15,755 <sup>r</sup>	p 15,908 <sup>r</sup>	p 15,902	p 15,948	p 16,089	p 16,008	p 15,813	p 15,784	-1.0	-0.2
Mining.....	thousands	p 911 <sup>r</sup>	p 917 <sup>r</sup>	p 920	p 915	p 917	p 922	p 906	p 932	-0.7	-2.3
Construction.....	thousands	p 2,319 <sup>r</sup>	p 2,519 <sup>r</sup>	p 2,627	p 2,756	p 2,768	p 2,809	p 2,754	p 2,281	-7.9	+1.7
Transportation and public utilities.....	thousands	p 4,087 <sup>r</sup>	p 4,152 <sup>r</sup>	p 4,163	p 4,168	p 4,178	p 4,190	p 4,176	p 4,072	-1.6	+0.4
Trade.....	thousands	p 9,792 <sup>r</sup>	p 10,630 <sup>r</sup>	p 10,096	p 9,878	p 9,781	p 9,641	p 9,667	p 9,592	-7.9	+2.1
Finance.....	thousands	p 1,912 <sup>r</sup>	p 1,910 <sup>r</sup>	p 1,905	p 1,901	p 1,898	p 1,914	p 1,908	p 1,831	+0.1	+4.4
Service.....	thousands	p 4,670 <sup>r</sup>	p 4,702 <sup>r</sup>	p 4,733	p 4,770	p 4,831	p 4,852	p 4,666	p 4,666	-0.7	+0.1
Government.....	thousands	p 6,509 <sup>r</sup>	p 6,831	p 6,497	p 6,532	p 6,544	p 6,401	p 6,356	p 6,088	-4.7	+6.9
Production and related workers in manuf'g.....	Employment	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All manufacturing.....	thousands	p 12,750 <sup>r</sup>	p 12,906 <sup>r</sup>	p 12,907	p 12,997	p 13,087	p 13,069	p 12,885	p 13,018	-1.2	-2.1
Durable.....	thousands	p 7,275 <sup>r</sup>	p 7,323 <sup>r</sup>	p 7,324	p 7,293	p 7,279	p 7,261	p 7,226	p 7,256	-0.7	+0.3
Nondurable.....	thousands	p 5,475 <sup>r</sup>	p 5,583 <sup>r</sup>	p 5,583	p 5,704	p 5,808	p 5,808	p 5,659	p 5,762	-1.9	-5.0
Average weekly hours.....	number	p 40.7	p 41.2	p 40.5	p 40.5	p 40.6	p 40.9	p 40.2	p 41.0	-1.2	-0.7
All manufacturing.....	number	p 41.7 <sup>r</sup>	p 42.2 <sup>r</sup>	p 41.4	p 41.7	p 41.6	p 41.3	p 40.9	p 41.5	-1.2	+0.5
Durable.....	number	p 39.5 <sup>r</sup>	p 39.9	p 39.2	p 38.9	p 39.4	p 39.1	p 39.3	p 40.2	-1.0	-1.7
Average hourly earnings.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All manufacturing.....	dollars	p 1,641	p 1,635	p 1,625	p 1,615	p 1,613	p 1,596	p 1,598	p 1,555	+0.4	+5.5
Durable.....	dollars	p 1,725 <sup>r</sup>	p 1,721 <sup>r</sup>	p 711	p 1,705	p 1,707	p 1,684	p 1,682	p 1,630	+0.2	+5.8
Nondurable.....	dollars	p 1,523 <sup>r</sup>	p 1,515	p 1,506	p 1,491	p 1,489	p 1,481	p 1,488	p 1,456	+0.5	+4.6
Average weekly earnings.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All manufacturing.....	dollars	p 66.79	p 67.86	p 65.81	p 65.41	p 65.49	p 64.82	p 64.24	p 63.76	-0.8	+4.8
Durable.....	dollars	p 71.93 <sup>r</sup>	p 72.63 <sup>r</sup>	p 70.84 <sup>r</sup>	p 71.10	p 71.01	p 69.55	p 68.79	p 67.65	-1.0	+6.3
Nondurable.....	dollars	p 60.16 <sup>r</sup>	p 60.45	p 59.04	p 58.00	p 58.67	p 57.91	p 58.48	p 58.53	-0.5	+2.8
Straight time hourly earnings.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All manufacturing.....	dollars	e 1,588 <sup>r</sup>	e 1,569	e 1,568 <sup>r</sup>	e 1,557	e 1,554	e 1,542	e 1,546	e 1,497	+1.2	+6.1
Durable.....	dollars	e 1,654 <sup>r</sup>	e 1,643	e 1,644 <sup>r</sup>	e 1,635	e 1,638	e 1,619	e 1,622	e 1,565	+0.7	+5.7
Nondurable.....	dollars	e 1,488 <sup>r</sup>	e 1,467	e 1,463	e 1,450	e 1,444	e 1,441	e 1,444	e 1,409	+1.4	+5.6
<b>Turnover rates in manufacturing<sup>3</sup></b>											
Separations.....	per 100 employees	.....	3.3 <sup>r</sup>	4.3	4.7	5.1	5.3	4.4	3.6	-23.3	-8.3
Quits.....	per 100 employees	.....	1.4	1.9	2.5	3.1	3.1	2.4	1.7	-26.3	-17.6
Discharges.....	per 100 employees	.....	.2	.3	.4	.3	.4	.3	.3	-33.3	-33.3
Layoffs.....	per 100 employees	.....	1.4 <sup>r</sup>	1.7	1.4	1.3	1.4	1.3	1.3	-17.6	+7.7
Accessions.....	per 100 employees	.....	2.9 <sup>r</sup>	3.9	4.4	4.3	4.5	4.2	3.0	-25.6	-8.3

<sup>1</sup> NATIONAL INDUSTRIAL CONFERENCE BOARD

<sup>2</sup> Bureau of the Census

<sup>3</sup> Bureau of Labor Statistics

<sup>a</sup> Adjusted indexes: July, 185.5; August, 185.5; Sept., 186.6; Oct., 187.4; Nov., 188.6; Dec., 189.1; Year ago, 178.8.

<sup>b</sup> Based on food prices for Nov. 14, 1951

<sup>c</sup> Based on food prices for July 11, 1951

<sup>d</sup> Based on food prices for Sept. 17, 1951

<sup>e</sup> Estimated

<sup>f</sup> Based on food prices for Nov. 14, 1951

<sup>g</sup> Based on food prices for Dec. 12, 1951

<sup>p</sup> Preliminary

<sup>r</sup> Revised

# Wage Adjustments Announced Prior to February 15, 1952

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<b>Communications</b>					
New York Telephone Company.....	WE	\$2 to \$4 wk.	12-19-51	18,000	General increases do not involve escalator clauses. Previous increase was effective 10-3-50. Wage reopening 12-19-52. (Telephone Traffic Union, ind.)
Traffic Dept. New York, N. Y.					
Commercial and Headquarters.....	WE	\$2 to \$5 wk.	12-20-51	5,400	Previous increase was effective 10-31-50. Wage reopening 12-20-52. (Union of Telephone Workers, ind.)
New York, N. Y.					
Westcoast Telephone Company.....	WE	\$12 hr. see remarks		1,125	Eight cents were effective 7-1-51, 4¢ on 11-1-51. Previous wage adjustment was effective 7-1-50. Wage reopening 7-1-52. (Northwest Communications Council, Int'l Bro. of Electrical Workers, AFL)
Everett, Wash.	S	10%	11-1-51	110	Previous increase was effective 11-1-50. (No union)
<b>Electrical Machinery</b>					
Capehart-Farnsworth Corp.....	WE	\$07 hr.	11-20-51	768	Increase was under GWR 6 and 8. An additional 1¢ an hour inequity adjustment granted to 157 maintenance and skilled trade employees of this group. Increased life and hospitalization insurance benefits are dependent upon WSB approval. Contract terminates 6-1-52. (United Electrical, Radio and Machine Workers, ind.)
Fort Wayne, Ind.					
General Electric Company.....	WE	2.5%	9-15-51	44,000	General increase not to be less than 3.5¢ an hour. Three weeks' vacation after 15 years instead of 20, effective 1-1-52. Adjustments subject to WSB approval. Formula of escalator clause—percentage by which 8-15-51 CPI (old series) has increased when compared to 9-15-51 (added to but not compounded with the present increase.) Wage reopening 8-15-52. (United Electrical, Radio and Machine Workers, ind.)
Interstate	S	2.5%	9-15-51	50	Same benefits as above. No union reported
Bloomfield, N. J.....	S	2.5%	9-15-51	approx. 210	Same as above. (Int'l Bro. of Boilermakers, Iron Ship Builders and Helpers, AFL)
Westinghouse Electric Corp.....	S	see remarks	11-1-51	17,000	Exempt employees were granted a 3.5% increase; non-exempt, \$2 to \$4 a week. Three week vacation after 15 rather than 20 years' service. Wage reopening 4-1-52. Date of settlement was 12-24-51. Last increase was 5%, exempt and \$15.60, non-exempt employees, effective 4-16-51. (Federation of Westinghouse Independent Salaried Unions)
Interstate					
<b>Fabricated Metal Products</b>					
Aluminum Company of America.....	WE	\$04 hr.	12-3-51	24	One additional holiday with pay, making a total of 6. Hospitalization benefits increased as follows: daily allowance from \$5 to \$8.50; special benefits from \$50 to \$85; surgical expense from \$150 to \$225. Wages may be reopened at any time. (United Furniture Workers, CIO)
Jamestown, N. Y.					
American Radiator & Standard Sanitary Corp.....	WE	\$045 hr.	10-9-51	1,170	Adjustment was under GWR 8. Average hourly rate prior to settlement was \$1.703, effective 4-24-51. Wage reopening 2-20-52. (Int'l Molders and Foundry Workers Union, AFL)
Louisville, Ky.					
Associated Spring Corp.....	WE	\$035 hr.	9-1-51	1,600	Company paid insurance and Blue Cross plans. Adjustments are dependent upon WSB approval. Date of settlement was 10-17-51. Wage reopening 9-52. (UAW, CIO)
Bristol, Conn.					
Charles T. Brandt Company.....	WE	\$11 hr.	11-1-51	265	Five cents of increase is under GWR 8, balance under GWR 6. Maximum rate prior to increase was \$2 an hour, effective 11-1-50. Determining of vacations as of hiring date anniversary instead of 6-1. Wage reopening on 5-1-52. No escalator clause in contract. (United Electrical, Radio and Machine Workers, ind.)
Baltimore, Md.					
Chambers-Bering-Quinlan Company.....	WE	\$05 hr.	9-10-51	220	WSB approval received. Previous entry rate \$1.29 an hour, effective 12-18-50. Wage reopening 9-1-52. (UAW, AFL)
Decatur, Ill.	S	\$05 hr.	9-10-51	26	No union given
Dahlstrom Metallic Door Company.....	WE	\$10 hr.	11-16-51	n.a.	Liberalized vacation plan granted. Contract expires 3-31-53 and is automatically renewed annually unless written notice is given 60 days prior to its expiration date. (United Electrical, Radio and Machine Workers, ind.)
Jamestown, N. Y.					
The Vollrath Company.....	WE	\$07 hr.	9-10-51	602	Across-the-board increase settlement dated 10-29-51 and dependent on WSB approval. Improved health and hospitalization insurance granted. (United Electrical, Radio and Machine Workers, ind.)
Sheboygan, Wis.	S	see remarks	9-16-51	110	Increase approximately equivalent to 7¢ an hour. Same benefits as above. (No union)

**Wage Adjustments Announced Prior to February 15, 1952—Continued**

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Food and Kindred Products</i> Durkees Famous Foods..... Louisville, Ky.	WE	\$0.04 hr.	11-1-51	120	Date of settlement 10-31-51. Previous wage rate \$1.335 an hour, effective 6-30-51. Wage reopening 4-30-52. No escalator clause but an automatic increase is tied to the cost of living formula. (Int'l Bro. of Firemen and Oilers, AFL)
Great Western Malting Company..... Vancouver, Wash.	WE	\$0.08 hr.	8-1-51	35	Additional 3 paid holidays granted making a total of 6. Previous wage rate was \$1.90 an hour, effective 8-1-50. Wage reopening 8-1-52. (Int'l Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers, CIO)
Lone Star Brewing Company..... San Antonio, Tex.	WE	\$0.05 hr.	n.a.	n.a.	Cost of living increase granted to all employees except the Plumbers and Pipe Fitters with whom a new contract was being negotiated.
<i>Machinery (except Electrical)</i> David Bradley Manufacturing Works.. Bradley, Ill.	WE	\$0.05 hr.	9-1-51	500	Three cent general wage increase and 2¢ under GWR 8. Previous wage settlement 9-1-50. Over 50% are incentive workers. Wage reopening 9-1-52. (Int'l Bro. of Blacksmiths, AFL; Int'l Bro. of Firemen and Oilers, AFL; Int'l Ass'n of Machinists, AFL; Int'l Molders and Foundry Workers, AFL)
Bucyrus-Erie Company..... Evansville, Ind.	WE	\$1.14 hr.	12-1-51	1,100	Wage adjustments are dependent upon WSB approval. Wage reopening 12-1-52. (Fed'l Labor Union, AFL)
Clark Brothers Company, Inc..... Olean, N. Y.	S WE	\$1.14 hr. \$1.10 hr.	12-1-51 10-29-51	180 1,500	(No union) Company paid pension plan, increased daily hospitalization benefits from \$6 to \$8 per day, increased surgical benefits for dependents and 3 weeks' vacation after 15 years granted. Three cents of increase retroactive to 6-1-51 subject to WSB approval. Wage reopening 60 days prior to contract termination, 6-1-52. (United Steelworkers, CIO)
The Midland Company..... South Milwaukee, Wis.	WE	\$0.065 hr.	9-5-51	150 approx.	Improved group insurance plan and vacation schedule. Average hourly earnings prior to the settlement was \$1.85, effective 9-15-51. Date of settlement was 11-5-51. All adjustments are dependent on WSB approval. Wage reopening 3-15-52. (United Electrical, Radio and Machine Workers, ind.)
Rice Barton Corp..... Worcester, Mass.	WE	\$0.045 hr.	10-29-51	270	Cost of living increase dependent upon WSB approval. Wage reopening 5-1-52. (United Steelworkers, CIO)
Royal Typewriter Company, Inc..... Hartford, Conn.	WE WE S	2.8% \$0.09 hr. \$0.09 hr.	10-29-51 11-5-51 11-5-51	127 6,015 312	(No union) Same as above. (No union) Increased hospitalization benefits. Three cents is subject to WSB approval. Previous rate was \$1.42 an hour. Contract expires 11-1-52. (UAW, CIO) Same benefit as above. Three cents subject to WSB approval. (No union)
<i>Paper and Allied Products</i> Central Fibre Products Company, Inc... Denver, Col.	WE	2.2%	10-7-51	79	Increase has been approved. Average wage rate prior to increase was \$1.37 an hour, effective 1-14-51. Wage reopening 8-15-52. (United Paper Workers, CIO)
Combined Locks Paper Company..... Combined Locks, Wis.	WE	5%	8-1-51	442	GWR 8 covers 2.31%. Base rate was \$1.22 an hour, effective 11-1-50. Three paid holidays (Christmas, 4th of July and Labor Day). Three days' pay for death in immediate family. Liberalized group insurance. These benefits are subject to WSB approval as is 2.69% of the wage increase. One wage reopening. Contract signed 10-8-51. (Int'l Bro. of Paper Makers, AFL; Int'l Bro. of Pulp, Sulphite and Paper Mill Workers, AFL)
Gaylord Container Corp..... Dallas, Tex.	WE	\$0.08 hr.	10-1-51	150	The wage adjustment is dependent upon WSB approval. Wage reopening 10-1-52. (Int'l Bro. of Pulp, Sulphite and Paper Mill Workers, AFL)
The Gebhart Folding Box Company... Dayton, O.	WE	2%	11-14-51	87	Cost of living increase granted but not on an escalator clause. (United Paperworkers, CIO)
Gilbert Paper Company..... Menasha, Wis.	WE	2.31%	7-16-51	347	Company has petitioned for an additional 2.69% wage increase, three additional paid holidays making total of six, and increased shift differentials for six and eight hour workers. These items subject to WSB approval. Previous wage rate was \$1.16 an hour, male; \$1.03, female, effective 10-30-50. Wage reopening once on 30 days' notice prior to 5-31-52. (Int'l Bro. of Paper Makers, AFL)
International Paper Company..... Palmer, N. Y. Liberty, N. Y. Ticonderoga, N. Y. York Haven, Pa. Livermore, Me.	WE	6% approx. \$0.02 hr.	1-1-52 12-17-51	50 4,500	Same benefits as above. Previous wage rates varied. (No union) Increase is under GWR 8. Wage reopening on 30 days' notice. (Int'l Bro. of Paper Makers, AFL; Int'l Bro. of Pulp, Sulphite and Paper Mill Workers, AFL; Int'l Bro. of Firemen and Oilers, AFL)
Moraine Paper Company..... West Carrollton, O.	S WE	1.15% \$0.03 hr.	12-17-51 11-12-51	400 206	(No union) Voluntary increase not a result of a union negotiation. Pension plan initiated. (United Paperworkers, CIO)

## Wage Adjustments Announced Prior to February 15, 1952—Continued

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
Paper and Allied Products (Continued) Neenah Paper Company Neenah, Wis.	WE	2.31%	7-16-51	298	Increase of 3¢ an hour, male, and 2¢ an hour, female. Previous wage rates were \$1.16 an hour and \$1.03, effective 8-30-50. Date of settlement was 11-7-51. Three additional holidays totalling 6, and increased shift differential are subject to WSB approval. Wage reopening once before 5-31-52. (Int'l Bro. of Paper Makers AFL)
Ohio Paper Company Miamisburg, O.	WE	\$0.08 hr.	11-15-51	115	Wage reopening 11-15-52. (United Paper Workers, CIO)
Pollock Paper Corp. Alabama Georgia Texas	WE	2.8%	11-12-51	137	Increase under GWR 8. No escalator clause in contract. Wage reopening 1-21-52. (Int'l Printing Pressmen and Ass'ts' Union, AFL)
Sorg Paper Company Middletown, O.	WE	no change	11-1-51	433 approx.	Three weeks' vacation with pay for employees having 15 or more years' continuous service. Shift differentials increased from 4¢ and 6¢ to 5¢ and 10¢ per hour. Liberalized overtime clause for Labor Reserve Employees. Fringe benefits subject to WSB approval. Wage reopening 60 days prior to contract termination, 11-1-52. (United Paperworkers, CIO)
Whiting-Plover Paper Company Stevens Point, Wis.	WE	5%	7-16-51	215	Of the increase 2.69% is subject to WSB approval. Three additional paid holidays, an increase in shift differentials, and liberalized time and a half clause for maintenance men were granted but subject to WSB approval. Wage reopening anytime upon 90 days' notice. The date of settlement was 12-20-51. Previous wage rate was \$1.16 an hour, effective 10-31-50. (Int'l Bro. of Paper Makers, AFL)
Primary Metal Products American Brass Company Buffalo, N. Y. Ansonia, Conn. Torrtington, Conn.	WE	\$0.08 hr.	7-1-51	4,345	Additional 5¢ an hour granted to skilled trades and custodial employees. No escalator clause included. New pension plan and company paid surgical insurance, non-occupational accident and health, and non-occupational accidental death and dismemberment insurance. Pension and insurance plans dependent upon WSB approval. Wage reopening 6-30-52. (Int'l Union of Mine, Mill and Smelter Workers, ind.)
Anaconda Copper Mining Company Butte, Mont.	WE	\$0.64 day	7-1-51	5,300	An additional 617 WE belonging to AFL granted same increase. Pension and social insurance plans and three weeks' vacation after 20 years' continuous employment for AFL. Off the job sickness and non-industrial accidents insurance for independent union workers. Wage reopening 60 days prior to 6-30-52. (Int'l Union of Mine, Mill and Smelter Workers, ind.)
Bonny Forge and Tool Works Allentown, Pa.	WE	\$0.03 hr.	n.a.	310	Rates established 2-1-52 and made retroactive. Increase subject to WSB approval. (No union given)
Breman Gray Iron Foundries, Inc. Fort Wayne, Ind.	WE	\$0.04 hr.	8-21-51	116	Additional 1¢ an hour granted to day workers. One half are day workers and one half piece workers. Average hourly earnings prior to settlement were \$1.67, effective 11-16-51. Escalator clause is in the contract. Wage reopening 2-16-52. (Int'l Ass'n of Machinists, AFL; Int'l Bro. of Blacksmiths, Drop Forgers and Helpers, AFL; Metal Polishers, Buffers, Platers and Helpers Int'l Union, AFL)
Phoenix Manufacturing Company Catasauqua, Pa.	WE	\$0.05 hr.	1-1-52	25	Six additional paid holidays granted but subject to approval. Average wage rate prior to increase was \$1.66 an hour, effective 6-18-51. Wage reopening on 60 days' notice. Increase was under GWR 8. (United Electrical, Radio and Machine Workers, ind.)
WE	\$0.06 hr.	2-4-52	227	Has received WSB approval. Wage reopening 7-1-52. (Int'l Die Sinkers Conference, ind.)	
Schuylkill Forge Company Philadelphia, Pa.	WE	\$0.03 hr.	10-17-51	55	Same as above. (Int'l Bro. of Blacksmiths, Drop Forgers and Helpers, AFL)
Public Utilities Central Indiana Gas Company Muncie, Ind. Anderson, Ind. Marion, Ind.	WE	\$0.08 hr.	11-19-51	291	The wage adjustment is dependent on WSB approval. Wage reopening 5-17-52. (Int'l Ass'n of Blacksmiths, Drop Forgers and Helpers, AFL)
Consumers Power Company Jackson, Mich.	WE	see remarks	10-1-51	n.a.	Previous average wage rate \$1.33 an hour, effective 11-19-50. One-half group insurance premium paid by company. Three week vacation after 20 years. Fringe benefits subject to approval. Wage reopening 11-19-52. (Dist. 50, UMW, ind.)
					Cost of living increase subject to approval. For standard rate of \$1.27 through \$1.47 increase is 5¢ an hour; for \$1.54 through \$1.79, 6¢ an hour; and where standard rate is \$1.84 or more, increase is 7¢ an hour. Contract terminates 3-1-52. (Utilities Workers Union, CIO)

**Wage Adjustments Announced Prior to February 15, 1952—Continued**

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Textile Mill Products</i>					
American Viscose Corp..... Meadville, Lewiston, Marcus Hook, Pa.	WE	\$.05 hr.	12-2-51	13,900	Three weeks' vacation after 15 years, double time and a half for all hours worked on holidays, double indemnity accidental death and increased sick benefits from \$20 to \$30 weekly. WSB approval is necessary. Wage reopening 6-52 if requested by union. (Textile Workers Union, CIO)
Parkersburg, Nitro, W. Va. Roanoke, Front Royal, Va.	S	see remarks no change	12-2-51 9-1-51	3,600 n.a.	Increase is a tandem adjustment in equal amount to the wage earner. Same benefits as above. WSB approval needed. (No union)
Hub Hosiery Mills..... Lowell, Mass.	WE	no change	9-1-51	n.a.	Two additional paid holidays granted subject to WSB approval. Wage reopening 8-31-52. (Amer. Fed. of Hosiery Workers, AFL)
Marinette Knitting Mills..... Marinette, Wis.	WE	S no change see remarks	9-1-51	n.a.	Same benefits as above. (No union)
Munsingwear, Inc..... Minneapolis, Minn.	WE	see remarks	9-15-51	1,495	Three additional paid holidays. Liberalized group insurance benefits. Vacation pay based on average hourly earnings instead of guaranteed minimum. Guaranteed minimum for male employees increased 10¢ per hour. Time workers granted 10¢ an hour increase. Shipping room and yarn department employees granted 7¢ an hour increase. Minor adjustments in piece rate inequities. Provisions subject to WSB approval. (Int'l Ladies' Garment Workers, AFL)
	S	\$.035 hr.	9-15-51	200	Minneapolis employees granted 3.5¢ an hour increase, outside branch offices granted 3.15¢ an hour. Pension plan initiated in which company pays difference between social security and \$100 per month at age of 65. Third week of vacation after 10 instead of 15 years' continuous service. Wage adjustments to be made percentagewise with percentage change in BLS. Minneapolis old index, with 184.6 as base. All subject to WSB approval. Wage reopening 8-15-53. Average wage rate prior to increase wage \$1.195 an hour. (Textile Workers Union, CIO)
<i>Transportation Equipment</i>					
Bendix Aviation Corp..... Davenport, Ia.	WE	\$.116 hr.	10-22-51	20	Call in pay for 4 hours instead of 2. Modified vacation pay. (Int'l Ass'n of Machinists, AFL)
Lockheed Aircraft Corp..... Burbank, Calif.	WE	8%	10-29-51	672	Two weeks paid vacation after one year's service granted. Adjustment has been approved. Wage reopening 10-29-52. (Engineers and Architects Association, Aircraft Chapter)
Marietta, Ga.....	S	8%	10-29-51	1,206	A salaried employee earning up to \$100 a week will receive time and a half for each authorized overtime hour worked. For one earning over \$100 a week, overtime will be based on the first \$100 of his weekly salary plus straight time on the amount of his salary above \$100 a week. Same vacation benefits as above. (No union given)
	S	\$.184 hr.	12-17-51	285	Average rate prior to settlement was \$2.301 an hour. No escalator clause included. Liberalized employees' group insurance plan. Wage reopening 10-3-52. WSB approval received. (Engineers and Architects Ass'n, Aircraft Chapter, Marietta Section, ind.)
	S	\$.878 wk.	12-17-51	1,281	Increase granted to non-represented exempt employees. Settlement was dated 1-28-52. Liberalized group insurance plan. (No union given)
	WE	\$.105 hr.	12-17-51	97	Previous wage rate was \$1.308 an hour. Group was non-represented. Liberalized group insurance granted. Increase was dated 1-28-52. (No union)
	S	\$.134 hr.	12-17-51	224	Liberalized group insurance plan granted. No escalator clause in contract. Previous wage rate was \$1.677 hour. Wage reopening 10-3-52. (Engineers and Architects Ass'n, Aircraft Chapter, Marietta Section, ind.)
	WE	\$.116 hr.	12-17-51	6,295	Liberalized group insurance plan. No escalator clause in contract. WSB approval received for all employee units. Previous average wage rate was \$1.455 an hour. Wage reopening 8-22-52. (Int'l Ass'n of Machinists, AFL)
	S	\$.115 hr.	12-17-51	208	Previous average wage rate was \$1.437 an hour. Liberalized group insurance plan. No escalator clause. Wage reopening 10-25-52. (Int'l Ass'n of Machinists, AFL)
<i>Miscellaneous</i>					
All American Airways..... Washington, D. C.	S	varying	12-1-51	n.a.	Pay varies with rating, air hours, and length of service; complex computation. Contract was signed 12-13-51 and is effective until 1-1-53 at which time it will renew itself. (Int'l Air Line Pilots Ass'n)
Atlas Powder Company..... Tamaqua, Pa. White Haven, Pa.	WE	\$.05 hr.	12-3-51	1,200	The wage adjustment is dependent on WSB approval. A petition for a pension amendment is pending. Contract expires 6-3-52. (Dist. 50, UMW, ind.)

## Wage Adjustments Announced Prior to February 15, 1952—Continued

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>scellaneous (Continued)</i>					
Eberle Tanning Company, Inc..... Westfield, Pa.	WE	\$ .065 hr.	10-1-51	342	Two cents retroactive to 2-16-51. One cent retroactive to 5-16-51. An additional intra-plant inequity adjustment averaged 3.5¢ an hour. Added vacation and spot adjustments. Adjustment has been approved by WSB. Wage reopening 4-1-52. (Amal. Meat Cutter and Butcher Workmen, AFL)
Hellige, Inc..... Long Island City, N. Y.	S WE	2.7% \$.10 hr.	10-1-51 8-22-51	50 116	Same vacation benefit as above. (No union) General increase granted. Previous wage rates ranged from \$1.10 to \$1.75 an hour. (IUE, CIO)
Julius Kayser and Company..... Allentown, Pa.	WE	\$.05 hr.	11-1-51	100	The wage adjustment is dependent on WSB approval. Wage reopening on 5-1-52. (Int'l Ladies Garment Workers Union, AFL)
Southwestern Portland Cement Company..... Ex Paso, Tex.	WE	\$.08 hr.	9-16-51	202	Two cents of the increase is payable on WSB approval. Pension plan initiated. Weekly sickness insurance increased from \$.26 to \$.30, effective 1-1-52. Packers on hourly rate granted 11¢ an hour increase; on piece rate granted an equivalent of 8¢ an hour. Wage reopening 9-16-53. Settlement signed 10-25-51. (Int'l Union of Mine, Mill and Smelter Workers, Ind.)
Wood-Mosaic Company..... Louisville, Ky.	WE	\$.03 hr.	8-12-51	300 approx.	Increase under GWR 8. Minimum rate prior to the increase was 98¢ an hour, effective 1-1-51. Wage reopening 2-12-52. (United Bro. of Carpenters and Joiners, AFL)

Type of worker: WE, wage earner; S, salaried employee.

n.a. Not available.

## Suggestion Systems

(Continued from page 87)

People were laying bricks in about the same way. Where were all these ideas for job improvements that employees kept dormant over this period?

It wasn't until Fred Taylor and scientific management took hold that we began to make spectacular, rapid progress in production. Taylor and his associates insisted on planning, routing, scheduling, etc., as functional jobs to be performed by trained functional specialists. I submit it as a fact that these trained functional specialists have out-suggested rank-and-file employees by a wide margin. I would continue to place my confidence in them, and I don't think we should close down our engineers' schools at this time.

Now, some advocates of suggestion systems have argued that no methods or research departments can dream up all of the improvements available. I would agree to that. They go on to say that suggestion systems are needed to pick up the ideas that the methods men miss.

Frankly, if I were getting a large volume of suggestions for either methods improvements or industrial relations improvements, I would find out why my methods department was failing, and I'd fire a few guys if they weren't doing their job!

I submit, however, that this is a very poor way to find out that your methods department is in trouble. Why should you wait for employees, or customers for

that matter, to complain about your product or services? I think it is a lot better to keep ahead of potential complaints through careful planning and research.

While the announced purposes of suggestion systems are worthy, there may be other more efficient ways of attaining these ends than using suggestion systems. It costs money to run a suggestion system. I think it is a fair question to ask if this money could be put to better use by using it in other ways. Granted that it is possible for a suggestion system to pay its cost, would the same amount of money produce a better yield if spent for other activities? Or, in the light of the modern medicine man-witchcraft approach, should we accept suggestion systems on blind faith?

There are some 17,000 companies in the United States with 500 or more employees; 14,500 of these 17,000 do no industrial research. If I were in one of the 14,500 companies who do no industrial research, I would think seriously about planned industrial research as an alternative to suggestion systems which depend upon ideas from people not trained to think critically.

What about other companies, other people? What should they buy, panaceas or research? It is also possible that the purpose of suggestion systems could be better attained, let us say, by employee counseling, better foreman training, hiring another methods engineer, etc. A lot depends on the needs of the individual company. It should not buy a patent medicine remedy just because of experiences another company has had.

I disagree most emphatically with Mr. Wilcox when he feels that suggestion systems can be applied to any company in the United States. What is good for one company is not necessarily good for another. Until American industry gets well-balanced, objective, research-oriented industrial relations departments, suggestion systems are a shabby substitute.

Finally, I contend the suggestion system approach faces tough sledding because we don't have enough basic knowledge to evaluate many kinds of suggestions. This especially is true in my own field of industrial relations. Please don't say that suggestion systems have nothing to do with industrial relations because many of the purposes of suggestion systems that I have read to you are also the avowed purposes of those of industrial relations.

Frankly, our fund of tested basic knowledge of principles of industrial relations is almost nonexistent. If two alternative suggestions for improved industrial relations practice came in, I don't know how you could evaluate and select the right alternative. In this area, I am positive that money spent for industrial relations research would pay much greater dividends than money spent on suggestion systems.



Allow me to summarize very briefly. I think that, in general, suggestion systems are the bunk. My reason is that no single tool—not even money—can accomplish all of the purposes set out by those who advocate suggestion systems. I include Mr. Wilcox's goal of using suggestion systems to attain free enterprise and democracy in business. There may be better ways to attain many of these same purposes.

I suggest that it is entirely possible that suggestion systems could injure the morale of employees. If only a small proportion of employees get rewards for their suggestions, those who get no rewards for their suggestions may actually feel hurt. At least, it is a possibility. You know that in any type of social organization you have to have majority approval. In most suggestion systems, only a minority contributes.

Another thing, some of the men that win might feel hurt, too. They might not like the amount of gain going to the company. But in any event, it is certainly possible there may be better ways to attain better employee morale.

A third criticism I made was this. Suggestion systems are predicated upon such self-evident truths as "Employees know more about their jobs than anybody else." The evidence does not support this proposition.

The fourth criticism is that suggestion systems assume that minds untrained in critical thinking can come up with better ideas than trained functional specialists.

The fifth point is that there may be better ways of spending the money than on suggestion systems. In view of the fact that so few companies have adequate research programs either in industrial relations or industrial engineering, I believe that a company has more to gain by spending its money on research.

Finally, I do not endorse the medicine man approach, and I think a good place for us to begin being research minded is when somebody suggests putting a suggestion system in your plant.

## What Can a Suggestion System Contribute to a Sound Personnel Program?

G. R. Schenck

THE QUESTION that has been posed, "What can a suggestion system contribute to a sound personnel program?" seems to raise another: "*Can a suggestion system contribute to a sound personnel program?*" If we can find an answer to that question, we might then try to discover what the contributions can be.

To most of us, the answer to that question would be yes. Yet such a pat answer oversimplifies the problem for several reasons. First, any successful suggestion system must come from management's honest desire to enlist the help of employees, and then it must be honestly and effectively administered. It must be initiated in an atmosphere of employee confidence in management. Any other climate will provide only sterile soil.

Again, and this has been partly implied in the question itself, it must be recognized by both management and employees as only a part of an otherwise good program. It cannot be accepted as a substitute for a program which is either inferior or really does not exist at all. Any suggestion plan, no matter how good it may be, should follow and not precede other more important personnel administrative policies and practices.

Such primary personnel administration practices as good recruitment, selection, placement, indoctrination and training, for illustration, should have demonstrated their value and honesty of purpose to employees and management alike. They should have helped create the climate necessary to further undertakings like suggestion systems which basically require confidence and mutual understanding between management and employees if they are to be successful.

Looking at the objectives of sound personnel admin-

istration a little more closely, one of the primary objectives is the retention of personnel. That is required for the organization's health and growth. That means that those who have been employed must honestly feel that they want to work there.

Don't initiate any suggestion system, or any other fringe part of a personnel program, until the more basic practices have been proved and accepted, and until all members of the team have a feeling of membership.

Now, as to the complete question, "What can a suggestion system contribute?" Given the right climate, the contributions from a well-conceived and administered suggestion system can be manifold.

They can add to the job satisfactions of both rank-and-file employees and management, and can be profitable, too, to both. The real value of a suggestion system, however, cannot be measured in my opinion in terms of dollars and cents. Its true value lies in its contributions to the kinds of confidence and harmonious relationships that we want to attain, rather than in the number or the monetary value of the ideas adopted.

The benefits stemming from a well-conceived and well-administered suggestion system can be varied and can directly affect employees, local management, the company in its broader sense, its customers and even the public.



What are some of the benefits to rank-and-file employees? First, there is the direct benefit to the employee whose suggestion is adopted and who receives the cash award. There is the satisfaction that comes from personal recognition for his constructive thinking. He attains a sense of pride when he sees one of his ideas in actual operation.

He knows that under his properly administered suggestion plan, he may also receive consideration later for promotion because he has demonstrated that he is part of the team, that he has contributed to the team's success. He knows that his resourcefulness and original thinking will have been recorded for his management to see, and that these things have contributed to his own self-improvement. There is deep satisfaction in these things.

Don't ever make the mistake of adopting a suggestion and paying an award and then fail to put it into effect. There is nothing that will more quickly develop a sense of frustration in the employee. You will be very fortunate, if you ever do this to a suggester, to again receive a suggestion from that person. Should you later find that it is impossible to put an adopted suggestion in effect, make it a point to talk at length with the suggester and give him a complete explanation of why his suggestion finally had to be discarded.

There is still another important contribution to employee satisfaction that can be made by any well-planned suggestion system. For the employee who is inclined to think in terms of "If I were the boss" or "Why don't they—," a formal suggestion system provides a mighty valuable safety valve provided it has not been ruined by too many "do's" and "don'ts" in the regulations.

Allow your employees to make suggestions on anything related to the company, its management, its methods and even its management personalities. Let them get these things off their chests. This is important whether or not your employees are members of a labor organization. A gripe passed along anonymously may keep a boiler from bursting. When it is seriously considered by management, with perhaps a later correction, a recognized gripe can provide great satisfaction to the employee who made the suggestion even though his name remains unpublished.

Don't be small, therefore, in your concept of what is and what is not an acceptable suggestion. Employee attitude surveys have disclosed time and time again the importance of leaving the door open to gripes in suggestion systems.

Another benefit accrues from the varied investigation necessary to judge the merits of many suggestions. The man who does the investigating, or the men who do the investigating, are certain to learn more about the individual jobs, the materials used, the equipment, the handling of the product, damage control, and perhaps cost cutting. These may all be called educational by-products, but they are still contributions.



These, then, are a few of the more or less direct and important and valuable benefits to employees and employers that should stem from a well-designed and administered suggestion system that is set in a favorable climate.

From the management's viewpoint, the fact that the investigation of a suggestion requires an interview with the suggester also is a contribution. Such interviews allow management to appraise an employee's potential for advancement and enable management to give encouragement and help.

There is another distinct contribution to management. The supervisor to whom a suggester reports should get a lift from having one of his people make a valuable suggestion. This is true, of course, only when the supervisor has been trained to encourage his people to make suggestions. The competition between departments—and I have seen this work—in the suggestion program, has been a stimulant in itself. Any good supervisor would react favorably because the suggestion emanates from his department and he

would recognize quickly that he himself gains recognition thereby.

There are innumerable benefits up and down the management line from the operation of a good suggestion system, and among the greatest of these is the inevitable improvement in what we now call communications. Notoriously, communications from the bottom upwards are faulty and anything that will tend to correct this condition should be welcomed.

From an over-all company standpoint, there are benefits, too. If a company has numerous other units, suggestions adopted in one may be applied in others. Obviously, lower costs, increased productivity, improved quality, all mean better earnings and improvement in the company's competitive position. Any multiunit company, therefore, would do well to provide complete interchange of information concerning the operation of the suggestion system in each of its divisions.

Last, of course, are the benefits coming to customers and the public through lower costs. I include these things because they are all in the broadest sense of the word a part of a forward-looking industrial relations program. The public and the company's customers are distinctly the beneficiaries of better employee-management relations that often can be attributed to the operations of a sound suggestion system.



Therefore, let me suggest, and this is important, that you recognize a suggestion system as a supplement or an adjunct to an otherwise good personnel program. Don't expect it alone to "save the world for democracy."

Make your plan broad and allow employees to use it for gripes even though they do have a good grievance procedure, if there is any such thing. Let your gripes come to you anonymously and take a good look at each of them.

Then, develop your suggestion investigation procedures and talk freely and at length with suggesters and others. It is a fine way to promote communications. Have a good talk with each identified suggester whether or not his suggestion has been adopted.

Do all these things promptly. Prompt recognition is the essence of success. Let there be no lags or you will find interest will decrease and it is hard to restore.

Last, but far from least, be sure the fundamentals of good personnel administration have been well established before putting in your suggestion system. Promptness, fairness and a judicious attitude toward all suggestions and their investigation are the heart of success. Once these slip and become secondary, the whole plan will topple, and when it does, you will find yourselves faced with a major problem in again stimulating interest and putting it back on the track.

There is a wealth of helpful thinking and there are too many valuable ideas lying dormant in the minds of thousands of employees to take this subject too lightly. You can make your suggestion system one of your more valuable personnel administrative functions if you will put it on its proper plane.

Do your groundwork, get yourself well established. Demonstrate that you mean what you say, and then consider a suggestion system.

## Is a Suggestion Program for Management Personnel Practical?

Russell J. Haynes

I HAVE been asked to discuss the question, "Is a suggestion program for management personnel practical?"

I don't believe I can discuss that question without prejudice because to us at Ford Motor Company it is not a question at all. To us it is a fact demonstrated by almost three years of successful operation of our management proposal plan.

Instead then of talking in the realm of theory about the practicability of a suggestion program for management, perhaps I can demonstrate to you that it is practical by telling you something about Ford's management proposal plan, the thinking behind it, how it operates, and what the results have been.

Recognizing that idea-power is and always has been the greatest force for progress in American industry, Ford set up an employee suggestion plan in 1947 to provide a channel through which our men and women could submit their ideas for improving our operations and morale in our plants.

Employees receive recognition for their suggestions in the form of a cash award after they are accepted and the ideas put into effect. Our employee surveys definitely indicate that our people like the plan. Employee participation is further proof of that, and we have evidence that the company has benefited in terms of improved employee relations as well as by reduced costs.

At the time the suggestion plan was conceived, we felt, as we feel today, that members of Ford management (our foremen and other supervisors, and those employees whose duties are primarily administrative) should not be included in a plan where money is the incentive.

We believe that to pay cash awards for ideas made by supervisors is inconsistent with the philosophy be-

hind the development of our management team. That idea is that every supervisor is very definitely a member of management and as such is expected to contribute ideas that benefit the company.

We realized that we were leaving untapped a vast reservoir of ideas by excluding members of management from our suggestion plan. These men have experience, alertness and ingenuity. They wouldn't be part of our management team if they lacked these qualities.

Our foremen in plant after plant, as the results of the employee suggestion plan became apparent to them, asked for a similar plan as a channel for their own ideas. The result was that two years after we installed the suggestion plan, a companion to it, called the "management proposal plan," was introduced to complete the company's suggestion program.

This new plan, which included all members of management, was similar in every respect to the employee's suggestion plan with one important exception—there was no cash award. You may ask, "What could possibly take the place of money as an incentive in this kind of program?"

I must admit that we had the same misgiving about our proposal plan when we installed it. Many of our people doubted that the plan would be successful without a cash award as a benefit.

When our present plan was put in operation, we found that we had been needlessly concerned. We had previously discounted, as so many of us are inclined to do in this materialistic world, the basic need for personal recognition, the simple "thank you" for a job well done that is so often neglected or forgotten.

The incentive in our management proposal plan is nothing more than recognition of a contribution to the success of the company beyond the normal requirements of a man's day-to-day job. Specifically, it is a merit certificate and a personal letter of commendation from the plant manager to the foreman or supervisor whose proposal is accepted for use by the company.



Is it enough? Is a sincere thank you and the knowledge that the company has recorded his contribution sufficient incentive to the supervisor to offer us his ideas? The results indicate that we have touched upon, in an effective manner, a recognition factor in the character of individuals that we have heard so often defined by sociologists and psychologists.

The following figures from our plan indicate its acceptance by management. From an average number of 7,668 eligible employees, we have, since June, 1949, received 17,645 proposals. This is an average of more than two proposals from each member of management during that time. Of these, 6,394, or approximately 40%, have been adopted for trial by the company.

In 1950, 31% of our supervisors used the plan; in 1951 more than 48% of our individual supervisors participated to the extent of more than 1,150 proposals received from each 1,000 eligible employees. More than 4,150 commendations have been issued for ideas that are in actual use by the company.

In contrast, our employee suggestion plan, which has cash awards, shows 13.5% of our individual eligible employees participating in 1951, and we received only 292 suggestions from each 1,000 eligible employees. Only 29% of the employees' suggestions were good enough to be adopted by the company. This result, incidentally, is relatively high in suggestion plan results for comparable industry.

Our objective in using both an employee suggestion plan and a management proposal plan is to permit the maximum number of our men and women to participate in either one plan or the other. Our attempt to achieve this objective has not yet met complete success because we have had to ask the approval of the stabilization authorities to broaden the eligibility requirements of our plan. We have been awaiting a decision on this request for several months. When we can include all exempt salaried employees in this proposal plan, we will then achieve our objective of offering this channel of communication to all employees.

If we begin with the principle that our collective welfare depends upon the ability of individuals to be keen, whether they are foremen in our plants or salaried workers in their offices, then there is a responsibility to promote their thinking by providing a channel beyond what may be thought of as normal.

A booklet containing the essentials of our plan and a flow chart that illustrates the actual processing of proposals were given to each eligible supervisor at the time the plan was introduced by our training department. Previous to the training department's presentation, the plan was announced in a personal letter sent to the home of supervisors by the plant manager.

In his letter, the manager asked for participation in the plan and pointed out some of the benefits to everyone concerned. The proper presentation and understanding of the program is of great importance, and unless it is competently done it endangers the future of the plan.

It is of primary importance that eligible employees understand what type of idea is acceptable, how it is processed, and what the benefits are. Only after this had been done did we permit participation.

Proposal blanks to be used were distributed to all areas in order that every eligible employee had access to a supply. We made an effort to distinguish the proposal plan from our employees' suggestion plan because we wanted members of management to know that this was their own program.

The industrial relations department is responsible for processing proposals, and the necessary personnel

is headed by a coordinator who is responsible for interpretation of company policy and adherence to approved procedure. He is a full-time employee, has a relatively high job classification and is carefully selected and trained for the job.

He is given the necessary number of people to help him, depending upon the volume of proposals. After a proposal is either mailed or delivered to the coordinator's office, it is recorded and screened for acceptability. If the proposal is eligible in the full sense of the word, it is then investigated for merit. An investigation report to the management proposal committee must be complete and accurate in order to supplement the experience and judgment of committee members who have the responsibility of deciding if the ideas should be authorized for a trial or put into effect.

This committee of from three to five members meets weekly for that purpose, and is composed of a representative management group on a high level in the unit. The coordinator acts as secretary of the committee and follows through after the committee's decision to authorize the action. The committee has not only the ability to judge the value in ideas, but has authority to authorize their use. The committee delegates the responsibility for putting the idea into effect after it has authorized its use, and the investigator advises the coordinator when it is completed.

If the value of the idea is calculable, the finance department provides a savings analysis for the management committee, who will at a later meeting, when the results of trial are apparent, authorize either permanent use or rejection.

Based upon the value, whether it is calculable or not in terms of money, the committee will recommend

commendation. The industrial relations department, represented by the coordinator, will then prepare the commendation letter and a merit certificate for the proper signature, and arrange for the presentation of the certificate and commendation.

The greatest benefit to the proposer results from the record that the salaried personnel department maintains and reports periodically to those members of top management directly concerned. This record of what has been accomplished is looked upon as a determining factor in merit increases or promotion.

In addition, machinery is set up for the processing of ideas for extended use between plants and divisions of the company. In this way, the fullest use for the company and the broadest recognition for the proposer is made possible.

These are some of the mechanics of our proposal plan. Every effort in the administration of the plan is directed toward uniform processing in every unit of the company. Adequate records are kept so that the history of any proposal can be clearly traced.

We at Ford do not consider our proposal plan a paternalistic scheme. We have found it improves relations with our employees, and we have also found that it is good business. Our proposal plan is definitely a part of our way of doing business, making the best possible products at the lowest possible cost to benefit the employee, the company and the consumer.

A suggestion program for management personnel is practical. It is not only practical; as far as we at Ford are concerned, it is essential to a successful, well-rounded industrial relations program.